S. HRG. 99-682

EDUCATION AND TRAINING PARTNERSHIP ACT

HEARINGS

BEFORE THE

SUBCOMMITTEE ON
EMPLOYMENT AND PRODUCTIVITY

OF THE

COMMITTEE ON
LABOR AND HUMAN RESOURCES
UNITED STATES SENATE

NINETY-NINTH CONGRESS

SECOND SESSION

ON

S. 1990

TO ESTABLISH AN EDUCATION AND TRAINING PARTNERSHIP TO ADMINISTER THE WAGNER-PEYSER ACT, THE JOB TRAINING PARTNERSHIP ACT, AND THE CARL D. PERKINS VOCATIONAL EDUCATION ACT, AND FOR OTHER PURPOSES

FEBRUARY 19 AND 25, 1986

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EDUCATION AND TRAINING PARTNERSHIP ACT

WEDNESDAY, FEBRUARY 19, 1986

U.S. SENATE,
SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY,
COMMITTEE ON LABOR AND HUMAN RESOURCES,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:10 a.m., in room SD-430, Dirksen Senate Office Building, Senator Dan Quayle (chairman of the subcommittee) presiding.

Present: Senators Quayle, Simon, and Pell.

OPENING STATEMENT OF SENATOR QUAYLE

Senator QUAYLE. The subcommittee will come to order.

Today, as chairman of the Subcommittee on Employment and Productivity, I am conducting the first of two hearings to examine issue relating to Federal administration of labor market-related programs. The legislation we have under consideration is a bill I introduced on December 19, S. 1990, the Education and Training Partnership Act. I am pleased to have Senator Kennedy as an original cosponsor of this bill.

Our lead witnesses will be the two Cabinet members who administer the labor-market programs we are including in this review. The Secretary of Education, William J. Bennett, and the Secretary of Labor, William E. Brock III, will present their views today. Next Tuesday, February 25, we will have a chance to receive testimony from other interested individuals and organizations.

To trace the origins of this review, we must look back to the legislative reforms Congress has enacted in recent years. Since 1982, Congress has revised the laws governing vocational education, the Employment Service and, most dramatically, the area of job training, where I successfully sponsored the Job Training Partnership Act.

Congress believed administrative reforms were necessary to make these programs more responsive to our Nation's labor-market needs. To improve State and local administration, Congress increased the involvement of the private sector and removed barriers to coordination among related activities. States and localities are carrying out those administrative reforms.

Now I am turning to an examination of the administrative structure that carries out the Federal role in the labor market. I believe it is desirable to improve coordination among Federal agencies with related responsibilities and to increase private-sector involvement at the Federal level.

My second concern relates to the demands that will be made up on our human resources as the trend toward an increasingly competitive world economy continues. This evolution toward a global economy raises certain questions about our employment, education and training programs. Do we need to focus national policy on the development of human resources which are specifically needed to sustain our economic competitiveness? Should this be done by enhancing or consolidating leadership at the Federal level? Would this increased visibility, emphasizing investment in our human resources as a national priority, ensure continued funding within available resources?

I introduced S. 1990, the Education and Training Partnership Act, to generate a public discussion of these issues.

S. 1990 would establish the Education and Training Partnership as an independent agency in the executive branch of the Federal Government. The Partnership would administer the Job Training Partnership Act, the Wagner-Peyser Act, which authorizes the Employment Service, and the Carl D. Perkins Vocational Education Act. It would be headed by a nine-member Board of Directors comprised of five private-sector representatives and the Secretaries of the U.S. Departments of Labor, Education, Commerce and Health and Human Services.

As we proceed with these exploratory hearings, I look forward to receiving testimony from a wide variety of perspectives on the issues I am raising for consideration. I consider S. 1990 a starting point for discussions. I would welcome comments on related matters or alternative proposals as we proceed to address these issues. I am convinced we can improve our effective delivery of services in our labor-market programs.

I apologize for being a bit late, but I got immersed and had a difficult time extracting myself from another reorganization matter that is going on in the Senate, and that deals with the Department of Defense.

We have been working on that one for only about 3 or 4 years. We have been in markup only for about 4 weeks and we probably have about another 4 weeks. That job is exceedingly complex and complicated, but fun.

Now, we have got another reorganization matter in the area of education and employment, and we have put forward a very simple proposal, S. 1990, The Education and Training Partnership Act, that will make the administration of labor market related programs much more manageable.

What we have been able to do in the Department of Defense for all these years, we certainly will be able to do in the area of employment and education in a very short period of time, I am convinced.

I just want to tell our two witnesses today, I have really looked forward to this. I cannot think of two other people in this administration that have more creative ideas, more ideas about how they are going to run their departments, more ideas on economic security and productivity and how we are going to achieve that, than the Secretary of Labor, Bill Brock, and Bill Bennett, the Secretary of Education.

The two of you, representing different departments now, you are going to give us the statement you have, or maybe you will insert it and summarize it, and then we are going to get into a discussion where you are going to take off your Secretary of Labor and take off your Secretary of Education hats and tell us how we really ought to be doing things.

I really believe that this issue, when you look at the future of our country and how we are going to educate and provide training for employment, is absolutely critical. Before we get started, I just want to pay my respects to both of you and the vanguard of leadership that you provided.

So, with that, we look forward to your testimony and then we will get into some, hopefully, thoughtful and perhaps, at times, entertaining ideas and exchanges.

So, with that, Bill Brock, Secretary of Labor, good friend, past supporter of some ideas, why do you not go ahead and lead this discussion on what you have already done in the area of employment, and look at education, particularly vocational education, and employment services.

First, however, we will include in the record at this point a statement by Senator Pell.

[The statement of Senator Pell follows:]

STATEMENT OF SENATOR CLAIBORNE PELL

I am very pleased to be able to participate in this hearing on S. 1990, the Education and Training Partnership Act. Last year we reauthorized the Vocational Education Act into what is now the Carl D. Perkins Vocational Education Act. I am proud to have played a major role in writing that legislation, and to have worked so closely with Senator Quayle in that area.

While the Federal vocational education dollar represents only about 10 percent of what is spent in vocational education overall, that dollar is the proverbial carrot which began and now spurs vocational education activity at the State and local level. Thus, while the Federal role is a small one, it is an absolutely crucial one.

As we begin these hearings, I must admit that I have reservations about this legislation. I am particularly concerned that S. 1990 does not recognize sufficiently that vocational education and training involves both training and education. There is an education element that goes beyond mere training for a specific job.

Further, I am very concerned that education is accorded minority status on the proposed board of directors. The only education representative on the board is the Secretary of Education. There is no provision for other education representatives. I am also concerned that it may indicate a lack of understanding of how vocational education functions, and of the vital role which education plays in this important area.

I am very eager to hear the views of both Secretary Bennett and Secretary Brock. Specifically, I am very interested in knowing how they believe the 17 million students in vocational education programs across our Nation would fare under a new proposal of this nature.

I admit from the outset, however, that I am skeptical about this proposal, and that I remain to be convinced of why it is needed.

Senator QUAYLE. You may now go ahead and proceed, Mr. Secretary, welcome back.

STATEMENT OF HON. WILLIAM E. BROCK III, SECRETARY, U.S. DEPARTMENT OF LABOR, WASHINGTON, DC, ACCOMPANIED BY ROGER SEMERAD; AND HON. WILLIAM J. BENNETT, SECRETARY, U.S. DEPARTMENT OF EDUCATION, WASHINGTON, DC, ACCOMPANIED BY GARY L. BAUER, UNDER SECRETARY OF EDUCATION

Secretary BROCK. And you should add the world's greatest fan of Dan Quayle.

I will begin by thanking you for the leadership you have shown for all of these years on JTPA; basically, that is your labor of love. On the whole question of a more logical, coherent coordination of our education, training and jobs programs, you are the most thoughtful and articulate member of this body, and I appreciate that fact and that leadership.

I have prepared a pretty bureaucratic statement which does not say a whole lot, except that it does not agree with your bill very much.

Senator QUAYLE. We will just insert that in the record.

Secretary BROCK. I will, I will.

I do not want to spend any time at all on it. Roger Semerad wrote it and I——[Laughter.]

Senator QUAYLE. Bureaucracy begins with Semerad. Is that what we are saying? [Laughter.]

Secretary BROCK. I do want to note that Roger is with me, and he is head of this entire area for the Department of Labor. I am grateful that he has joined this team because he cares more about this issue and knows more about it than almost anybody that I have met.

When we get into some of the particulars, Mr. Chairman, I hope you will welcome his active intervention because there are some areas where he really has some very strong views.

Let me just draw back from the question of the bill because I do not want to spend time talking about individual items. I would rather look at the fundamental issue that I think you are raising, and that is the question of the adequacy, or lack thereof, of what we are trying to do in this country in the field of employment services, JTPA, education and training and vocational education.

When I took this new responsibility, the first meeting I had in my office was with my colleague, Bill Bennett, and with the former Secretary of Health and Human Services, Peggy Heckler, and I asked them to come over and join with me and have lunch and just talk about the problem that I saw of inadequate coordination at the Federal level of what we were about.

I told them that I did not know what they were doing; that I had been unable to find out what was happening in those departments, and that I thought it was terribly important that the three of us know each what the other was doing and attempt to conduct our separate departments in the best coordination that we could and in the most complementary fashion that we could.

Subsequently, Secretary Bennett and I have had two or three joint sessions where we have not only met with ourselves and our staffs, but, under the leadership of Leon Sullivan and the OIC, brought together community based organizations, voc ed people,

JTPA people, Department of Education people, and Labor Department people to see, again, how we could fold these things together and make for a more effective mix.

Particularly in this day and time with the budget constraints that this Government has, we really do not have any choice; we simply have to do a better job. In all candor, in looking at the present system, I think you have to say there is no system. There is no logic to it, and I think it is intolerable. So we have to do a better job.

Now, to pick up the thread of the earlier point about my meetings with the Secretary of Education, Mr. Bennett, we have been trying to change that situation by interagency coordination and agreements at several different levels.

I have a list in my statement of some of those efforts. We have moved beyond memorandums of agreement with the Department of Health and Human Services and actually have some ongoing bodies where we sit on joint coordinating councils to make joint decisions.

We are not quite so far along with Education, but my clear intention and, I think, that of the Secretary of Education, is to achieve that result. And if we can take the next 2 or 3 years and do something in this regard, we will have made an enormous improvement to what is, in my judgment now, a very inadequate system.

So maybe that is enough to begin the conversation, Mr. Chairman.

[The prepared statement of Secretary Brock follow:]

STATEMENT OF
WILLIAM E. BROCK
SECRETARY OF LABOR
BEFORE THE
SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY
SENATE COMMITTEE ON LABOR AND HUMAN RESOURCES

February 19, 1986

Mr. Chairman and Members of the Subcommittee:

I appreciate the opportunity to appear before you today at this hearing on Senator Quayle's proposal to establish an Education and Training Partnership. I am pleased that my colleague and good friend, Bill Bennett, and I will have an opportunity to discuss not only this specific legislative proposal, but our agencies' efforts to develop improved coordination of human resource programs at the Federal level.

Mr. Chairman, I welcome your interest and concern regarding the need for Federal program coordination, and I believe these hearings could not have been more timely. In recent years we have taken some meaningful steps at the State and local levels to improve coordination. The Job Training Partnership Act, the Wagner-Peyser Act and the Carl Perkins Vocational Education Act each include provisions to promote coordination, including reciprocal review of plans and membership on planning and advisory councils. We have found that these provisions are having a positive effect and that, increasingly, Governors at the State level and Private Industry Councils

at the local level are developing and improving linkages between training and employment, economic development and education programs.

At the oversight hearings you held in Indiana last summer, we discussed in general terms the need for coordination and perhaps consolidation of education and training programs at the Federal level. I am pleased that you have chosen to continue to focus on this issue by holding these hearings.

I applaud the objectives of the Education and Training Partnership Act and agree that closer coordination between not only training and employment programs administered by the Department of Labor, and vocational education programs administered by the Department of Education, but human resource programs generally is desirable. S. 1990 would establish an independent Employment and Training Partnership at the Federal level to tie together administration of Vocational Education, Employment Service and Job Training Partnership Act programs. The bill also addresses the need for greater private sector involvement in human resource policy making, by including three representatives of employers and two representatives of labor among the nine members of the Board of Directors of the Partnership. The two concepts underlying S. 1990--program coordination and involvement of the private sector--are cornerstones of our training and employment policy, as exemplified by the Job Training Partnership Act. As

successful as JTPA has been, I am aware that more can be done to turn these principles into reality. Nevertheless, I do not believe that creation of an independent Education and Training Partnership agency is necessary to foster such improved coordination.

We can do more at the Federal level to foster coordination, but I believe truly meaningful coordination must take place at the local level. This will happen only when the principal players at the local level realize it needs to occur and make it happen. In many cases JTPA Private Industry Councils already are effectively dealing with the issue of program coordination.

At the Federal level, I propose that Secretary Bennett and I work with you to fully explore better coordination under existing law. We can provide an example to the system of effective program coordination. I have established as a goal for the Department of Labor during my tenure as Secretary, to improve the productivity, effectiveness and creativity of our operations through interagency program coordination, private sector support, and other means. The Employment and Training Administration is undertaking a number of initiatives in response to this goal, which I will outline.

First, we currently are undertaking a number of coordination activities with the Department of Education:

- We have signed a memorandum of agreement on technical assistance for community based organizations in conducting vocational education services for disadvantaged youth.
- We have signed an interagency agreement on coordination of apprenticeship training with vocational education. This provides for joint technical assistance to the field, regional conferences and national and State coordinating committees.
- We have provided guidance to the States on the requirements for coordination between JTPA and vocational education.
- We are planning joint technical assistance to the States on implementing coordination requirements; joint pilot projects involving model JTPA vocational education coordination activities at the local level; and research and demonstration projects on vocational services for incarcerated youth. This latter initiative also involves the Department of Justice.
- Also in the planning stage are the development of joint strategies to encourage State and local coordination in providing remedial education and job-related training to low-achieving and disadvantaged youth. A series of joint demonstration projects with the

Department of Education to assist delinquent youth with basic skills remediation and job-related training are being considered.

Coordination between the Employment Service system and job training programs is another area I have emphasized. The JTPA amendments to the Wagner-Peyser Act were a major step forward in remedying the problem of limited or nonexistent linkages between the Employment Service and job training programs. Provisions for coordinating planning between the two programs have been effectively utilized in a number of states. We will be undertaking a comprehensive review of the Employment Service this year, and improved coordination is one of the areas we will be looking at.

Our coordination initiatives are broader than the three programs identified in S. 1990. I have directed the Employment and Training Administration to develop a plan of action for establishing linkages between our JTPA training programs and other Federally-supported human services programs to increase overall program efficiency, enrich services to our target groups and, over the longer run, provide the basis for a more coherent national human resource policy. This plan of action will include both bilateral initiatives with other Federal agencies and institutional arrangements for ongoing consultation among Federal agencies on improving coordination. Some of these initiatives already are underway. Let me mention some specifics.

- Interagency agreements to promote and highlight the opportunities for coordination of JTPA with other Federally-funded services at the State and local levels so that these services are provided in some coherent and coordinated fashion.
- Jointly funded pilot and demonstration projects which are replicable at the State and local levels. For example, we are participating with the Department of Health and Human Services in funding a five-State Service Integration Project which is designed to develop models for coordination of human service and employment related services at the State and local level. As another example, we are jointly funding with the Department of Health and Human Services and private foundations, projects which link services of the two Departments at the State and local level for disadvantaged youth, teen parents, and dropouts.
- Jointly supported research which concentrates on problems of the unemployed and disadvantaged and suggests alternative strategies to addressing these problems.

We have already forged specific working relationships with the Department of Education and with the Department of Health and Human Services.

As a part of our overall strategy, we will be convening interagency work groups to address specific problems such as youth unemployment. We also intend to hold regional or national conferences at which representatives of government, the private sector, academic experts and others get together to discuss the problem.

S. 1990 also stresses the need to assign a central policy and management role for the private sector with regard to training, employment service, and vocational education programs. I could not agree more. One of the landmark features of JTPA was the assignment of such a role to the PICs in local JTPA and Employment Service planning and oversight. Business is growing into the central management role in training and employment programs. Over 8,500 local business representatives are serving on Private Industry Councils and State Job Training Coordinating Councils, and our studies show that the business participation is direct and substantive and growing in influence. At the national level, Assistant Secretary Semerad and I are seeking to actively involve the business sector, through conferences, meetings, advisory groups, and individual consultations, in the formulation of national training and employment policy and in management decisions concerning Department of Labor programs.

In closing, I think we all recognize that in the coming years we will be living in a period of severe constraints

on the Federal budget. Even so, the funds currently available for human resource programs are substantial. I believe that there are sufficient resources available at the Federal, State and local government levels to address our human resource problems, especially if these funds are effectively packaged at the local level. We should not permit closely related programs to continue operating without true program coordination. Human resource programs must be closely linked so that they are mutually reinforcing rather than competitive. All levels of government and the private sector need to be sensitive to opportunities for joint action. I believe that this sensitivity is being fostered through the many initiatives I have outlined above and believe that the goals of S. 1990 can be accomplished without the creation of another oversight agency.

We will continue to work with Congress and other agencies to search for additional ways to remove barriers to effective program coordination and encourage increased local level labor market awareness of the beneficial effects of such program coordination.

Mr. Chairman, this concludes my prepared statement. At this time I would be pleased to answer any questions that you or other Subcommittee members may have.

Senator QUAYLE. Thank you very much. That will certainly serve as a good basis for the beginning.

Now, we will hear from Bill Bennett, the Secretary of Education. Welcome back; welcome for the first time to this subcommittee, and proceed at your pleasure.

Secretary BENNETT. Thank you, Mr. Chairman. I, too, have a bureaucratic statement prepared by Roger Semerad—no, I do not. [Laughter.]

Senator QUAYLE. It is dump on Semerad time. Welcome, Roger. [Laughter.]

Secretary BENNETT. We cannot blame him for everything. This is ours; we will take responsibility for it. The Department labored on this statement, but I will not ask you to labor with us this morning on the whole statement. Let me just pick up on a few of the points that Bill Brock has made.

I understand from conversations with colleague Brock that you and he have been having this conversation for several years. I am new to the conversation. We talked about it not too long ago, but it is the kind of issue that we are familiar with in other contexts at the Department.

We certainly appreciate the work that you have done. We certainly are strongly behind the key work this morning, which is coordination. I know that you are concerned about promises of coordination without delivery of coordination, but I would say two things about that.

One, Bill and I are both new to these two jobs and we would like a chance, I think, at efforts at better coordinating our programs. And, second, I understand that the meetings that we have had that Bill mentioned are, to some degree, unprecedented.

They have to be to some degree unprecedented, because people kept taking our picture together and saying that this was the first time the Secretaries of Labor and Education had been in the same room to talk about the same things.

Many of the things that we were talking about in those meetings, which went on for days, were the matters of particular concern to you.

Let me say something, if I could, about vocational education and why we think that vocational education programs should remain in the Department as part of a cohesive and well-coordinated program for the improvement of education in the United States.

I think it is clear that, recently in the area of vocational education, thinking in the field has profited from general thinking about education. I know that the event which really grabbed the Nation's attention—the report, A Nation At Risk, and all the other reports—has been noticed and clearly recognized by the vocational education community.

As you know, there has been a lot of thought and a lot of reaction to those reports and a lot of rethinking about the directions of vocational education.

As we look at vocational education in the context of larger educational aims and the more general conversation about education going on in the United States, we find it, at least at the present time, advantageous for our vocational education programs to be part and parcel with the rest of our educational programs.

Again, we think that Federal involvement, although modest, and obviously maybe more modest as we get into this period of budget reductions, is showing some payoff; that is, I think the Federal role in terms of the reports and in terms of some real improvements that we have made at the Federal level—the block grants to chapter 2, and so on—has resulted in some improvements.

But I know that you are impatient, as well you should be, for better coordination. I cannot deliver right now a conclusion that we have coordinated everything and that we have got it all working smoothly and harmoniously.

But I can say that the commitment is there. It is serious, and I think the impetus for that has been the meetings that Secretary Brock and I have had. So if you would extend just somewhat longer your patience with the departments and, as Bill Brock was saying to me this morning on the phone, hold our feet to the fire on these questions, I think we will have some results soon that will please you.

It must, I am sure, be somewhat frustrating to you to be calling for greater coordination, greater efforts at implementing complementary programs, and seeing the characters to whom you are addressing this change from time to time. But this is my first and only shot at it and I think we are off to a good start.

Let me stop there.

[The prepared statement of Secretary Bennett follows:]

Statement of

William J. Bennett, Secretary of Education

before the

Subcommittee on Employment and Productivity

Senate Committee on Labor and Human Resources

February 19, 1986

Mr. Chairman and Members of the Subcommittee:

Thank you for the opportunity to appear before your subcommittee today. The Department of Education is eager to work with you in achieving better coordination of Federal vocational education, job training, and employment services programs. Mr. Chairman, we appreciate the work you have done over the past five years to improve these programs, to make them more responsive to local labor market conditions, and to reduce unneeded administrative and paperwork requirements. Major progress in this area was achieved in 1982 through enactment of the Job Training Partnership Act (JTPA), which enhanced the role of private employers in determining local job training programs and priorities. You deserve to be known as the father of that important legislative initiative.

The Department of Education worked with you in 1984 to make the vocational education reauthorization bills that were emerging from Congressional committees simpler and more flexible for the States and to reduce the number of funding set-asides and administrative requirements. In this area, it must be said that our efforts were less successful. The Carl D. Perkins Vocational Education Act contains many more set-asides and requirements than we would have preferred. I am confident that, at the proper moment, we will be able to agree on some amendments to simplify and improve that statute.

Today we turn to S. 1990 under which Federal administration of vocational education, job training, and employment services programs would be placed within the jurisdiction of a single independent agency, the proposed Education and Training Partnership. Although the Department agrees that coordination of vocational and job training activities is important, for a number of reasons we do not believe creation of a new independent Federal agency is necessary.

Under S. 1990, in exchange for setting up a new administrative entity with its own overhead staff and associated expenses, we would gain a single point of review for State grant applications. Otherwise, all functions could be delegated back to the Departments of Education and Labor. There would be a substantial risk of overlap in many functions, such as planning and budget, management, audits, and contracts administration, between the new Partnership and the two Departments. In addition, S. 1990 would give the Partnership almost unlimited authority to enter into contracts, which could entail substantial program and administrative costs. The Partnership would also be permitted to appoint and compensate its employees without regard to civil service laws, another potential source of additional costs. We are apprehensive that the creation of a new Education and Training Partnership would run counter to the Administration's efforts to create a leaner, more efficient Federal executive branch.

We also believe vocational education programs should remain in the Department of Education where they can be part of a cohesive program for improvement of education in the United States. We recognize that all components of our educational system must take part in the movement for educational quality and excellence. All students deserve to be taught by competent teachers in an orderly crime-free environment. All students

should be held to high standards, should be given a full exposure to the academic basics, and should have some degree of choice in selecting an educational institution and program. Although the Federal role in education is modest, we in the Department of Education can work to ensure that Federal involvement results in educational improvement. The Department can bring about needed coordination between vocational education and such other programs as compensatory education, special education, bilingual education, and adult education. We can include vocational education in special projects to help reform methods of teacher compensation, improve the content of education, and increase student and parental choice.

While we believe that vocational education should remain in the Department of Education, let me reiterate that coordination with programs administered by other Departments is essential. Indeed, coordination is particularly important in vocational education, where the purposes and activities of programs in different Departments are so closely related. You will be interested to know that we have several important coordination initiatives underway. I would like to describe some of our recent efforts to achieve better program coordination.

One component of the training system in which close ties with education are highly desirable is apprenticeship training. It is typical for vocational education to reinforce, through instruction in the shop or classroom, the learning that apprentices receive on the job.

Section 411 of the Perkins Act requires the Secretaries of Education and Labor to develop and implement a plan for coordination between vocational education and apprenticeship training programs. Last October 17, Secretary Brock and I signed an interagency agreement setting forth the scope and objectives for this joint project. Currently, an interagency

steering committee is developing proposals to encourage expansion of the Nation's apprenticeship system, with support of vocational education; assess the quality and effectiveness of apprenticeship programs, methods, and materials; increase private-sector involvement in apprenticeship programs; and identify and recognize exemplary apprenticeship training programs. Pilot projects in these areas are under discussion. By the fall of 1987, the two Departments will complete a final report with recommendations for improved coordination between the vocational education and apprenticeship systems.

The Perkins Act also requires the National Center for Research in Vocational Education to report annually to the Congress and the Secretaries of Education and Labor on the effectiveness of joint planning and coordination of programs authorized by the Perkins Act and JTPA. The Center, which is currently housed at Ohio State University, will begin work on the first such report this winter. This report will consider such issues as: To what extent have the coordination mechanisms in the Perkins Act and JTPA been implemented at the State and local levels? How do local officials rate the effectiveness of these mechanisms? What are some examples of successful coordination mechanisms, and what structural factors impede successful coordination in other circumstances? This report should give us a better picture of the current state of vocational education - JTPA coordination and some ideas for further improvement.

Additional Federal mechanisms for coordination of vocational education and employment programs include:

- o Studies by the National Council on Vocational Education and the National Commission on Employment Policy, which have interlocking memberships and are mandated to develop recommendations for improvement and coordination of vocational education and job training programs;

- Joint support of the National Occupational Information Coordination Committee, which is authorized to develop labor market information to meet the common needs of vocational education and employment and training programs at the national, State, and local levels;

- The Department's vocational education data system, which is required, under the Perkins Act, to be compatible (to the extent feasible) with data systems developed under JTPA; and

- The statutory requirement that the Department's national assessment of vocational education, which must be completed by January, 1989, include an evaluation of the coordination of vocational education programs with employment training and economic development programs in the States.

In addition to coordinating vocational education and job training programs, it is also very important to ensure that vocational and job training activities make the necessary connections with local adult education programs and literacy councils. Our Adult Literacy Initiative office has been working with the Department of Labor to enhance literacy instruction in summer youth programs and other JTPA activities. Further, the Federal Interagency Committee on Education is sponsoring a survey on the amount of resources currently devoted to adult literacy by all Federal agencies. This information will be used as the basis for additional program coordination.

In closing, Mr. Chairman, we share your belief in the importance of coordinating Federal vocational education and job training programs, and we have a number of promising initiatives underway in that area. We stand ready to work with you to continue to improve coordination between these important programs without creation of a new Federal agency.

I would now be happy to answer your questions.

Senator QUAYLE. Thank you very much, Mr. Secretary.

Secretary BENNETT. You are welcome.

Senator QUAYLE. Let me just sort of give you a little bit of a backdrop of how we got into this. I concur that we can, in fact, improve upon it and we can, in fact, do better and we must do better.

In 1981, the summer of 1981, 6 months after the new administration, we had a hearing in the Subcommittee on Education and we got together the Assistant Secretary for Employment and Training from the Department of Labor and the Assistant Secretary for Vocational Education from the Department of Education, and they told us what they were doing.

All of a sudden, they were saying essentially the same thing. I will be very honest with you that there had not been any coordination at that time. As a matter of fact, I do not think the two had even met until they had gotten to that hearing. Now, that may be exaggerating a bit, but it was about that close.

I want to compliment both of you, and your statements point that out, on the ability that the two of you have undertaken to try to get coordination and communication. Obviously, when you have people like the two of you together and people writing great speeches that are sitting next to you that are involved in these issues, you are going to have a much better management of the program, and I commend you. I think that the program is far more coordinated than it has been in the past, at least since I have been here, and that is moving in the right direction.

But, you know, we can only talk about this coordination so far, and it is important. I do not want to mitigate it; it is darned important and, at the bottom line, it produces results.

Vocational education came into the system somewhere around 1917. We have had Federal employment and training programs started in about 1962. If you go back, and I am sure you have, you have read the Manpower Act of 1962, and that talked about coordination. We have been talking about this coordination for 20-some years in this area, and it is essential.

But I guess what I want to demonstrate and maybe get your input on is that these areas, vocational education and employment training and employment services, are essentially providing for the same population, and they are also providing for the same programs.

I guess that would be my first question, and I guess I will go to you, Bill Brock. Does JTPA serve any population that vocational education should not be serving?

You know, you have got in-school youth, your drop-outs, your dislocated workers, disadvantaged adults, welfare recipients, handicapped, on down the line. Bill Bennett, you might be thinking of the same question because I am going to ask you.

Is there something that JTPA and that population group is serving that vocational education is not serving or should be serving?

Secretary BROCK. No. They are identical. Beyond that, a very substantial portion of JTPA resources is going to vocational education people to conduct the training that we have to have under JTPA.

As Roger Semerad has said, you know, if you look at where this country is and you look at the international competition we have

got and the enormous burden that we are putting on people in this country with the changing economic mix and the rapidity of that change, I think both of us believe that these vocational education centers ought to be open 24 hours a day and operating at full steam and packed, and they are not.

Senator QUAYLE. Secretary Bennett, is there any population that vocational education is serving that JTPA does not serve—any population group that comes to mind?

Secretary BENNETT. No, not in general. It is just that, again, vocational education is oriented primarily, as it should be, at in-school youth, and a lot of JTPA is out-of-school youth. But, again, we are talking about the same people. Where that conclusion takes us, though, I am not sure

Senator QUAYLE. Well, we have got to establish some basic facts up front.

Secretary BROCK. Sure.

Senator QUAYLE. And if we get the facts out on the table and we see the similarities and the dissimilarities, then we might be able to figure out where to go to really enhance the coordination and the communication that both of you have directed your testimony to.

Now, let us look at the programs, outside the summer program for JTPA. Are there any programs that JTPA has that vocational education does not have or should have?

I am thinking of institutional training. On-the-job training would be a different point of view. Vocational education does not have on-the-job training, so that would be a distinguishing factor. So let us leave that aside.

I am just thinking of institutional training, literacy, basic skills, work experience, school-to-work transition, job search. Now, these are programs that JTPA is involved in, and I would assume that those are programs that vocational education is involved in. Am I correct?

Secretary BENNETT. Right.

Senator QUAYLE. OK. Now, we have that basic assumption that you are serving the same populations and providing the same program activities, putting aside on-the-job training.

You both do a very good job. Bill Brock represents the Labor Department. All the groups over there do very well and you deal with them. Bill Bennett, you have got the responsibility of all the educational groups.

Believe me, I have heard a lot from all the interest groups on this subject and I have not found any real interest group that particularly likes it. Do you know what the interest groups like? The status quo. They have always been so good at preserving the status quo. Whether it is in this area or another area, they have always been able to maintain that because it serves the people that are presently representing those groups; do not change anything.

So, now, if we have the agreement that these two programs, in particular, serve the same population and have the same programs, why should they not be together? That is my basic question.

Who wants to tell me why they should not be together first? Or maybe you say they should be together eventually, then we will figure out how they ought to be together. Or do you really feel that

even though they are serving the same population and the same programs, they always ought to be apart in two separate, vigorous, energetic, capable agencies of this administration?

Secretary BENNETT. Well, let me take a stab at it. I think you are right; I mean, we are talking about some of the same activities, the same population, and the like. But there are other aspects to vocational education besides its affinity for programs and populations and ideas that also define JTPA.

Again, back to my opening comment, I think there are advantages to vocational education being seen as part of general educational programs, where the population there is much larger; we are talking about everybody, every school child.

And I think that, obviously, to some extent this is a way of how one wants to divide up the Government and what boxes one wants to put things in. I am convinced that the influence of general educational ideas and ideas from other parts of education which have nothing to do with JTPA but which have had an effect on thinking in vocational education is a good thing, is a valuable thing.

Let me be more precise. It is valuable for some purposes to think of vocational education in relationship to the specific programs of JTPA. It is also valuable to think of vocational education in connection with other kinds of educational programs—the general academic program of schools, the general curriculum of schools, the various State commissions on education and the kinds of requirements that we want for all our citizens.

Again, I think thinking on vocational education has been affected significantly by thinking of vocational education as part and parcel of our entire educational scheme rather than something which should be separated out and thought of only in connection to employment.

Do you see what I mean?

Senator QUAYLE. Yes, I understand what you mean about the educational aspect, and that is very important. But the educational aspect is irreplaceable as we think about employment and training opportunities.

I mean, if you do not have basic education and if you do not have education, how are you going to be trained for that job in the future?

So what I am saying is we have recreated the wheel. We have got two wheels out there that are serving the same populations and the same programs. You know, we put all the coordination into the JTPA, and we did it in the Carl Perkins vocational education bill that the two have got to get together.

I can tell you that in my State of Indiana the Lieutenant Governor there is trying to combine administration of these programs; he is trying to do similar things that we are discussing. He is trying to combine his employment security with JTPA and vocational education to try to at least get some coordination so they will know who to report to.

You know, what I am saying, I am not going to dismiss the value of education. The only thing I am trying to say is that they are related, intricately related, and there is no replacement for good education when you look at employment training.

So, therefore, my idea, Secretary Bennett, is that they have to be together some way. You know, I put forth a proposal that said, well, let us separate them both out. We will take vocational education out of the Education Department and we will take employment training and employment services out of the Labor Department.

We will have a partnership effort and get the private sector involvement that we definitely need. I mean, one of the reasons that JTPA has worked so well is the PIC council and the private sector involvement there. That is the reason that is successful.

We ought to have that at the Federal level as well, some sort of private sector involvement. I know both of you rely very heavily on the private sector for ideas, implementation and resources. I am not saying that you do not.

But I am just struck by the response—and I know that, you know, you have to say certain things, but, to me, they really have got to be together.

Let me just ask a hypothetical. What if the President all of a sudden said, we have really got to consolidate here and he says, I agree with Senator Quayle? He says we really need to consolidate this and I think that instead of making that separate bill that he is talking about which might cause me some concern, I believe that vocational education is so important to training that I think I am just going to give it to Bill Brock.

Would that cause you any heartburn?

Secretary BENNETT. Do you mean to Bill Brock particularly? [Laughter.]

Senator QUAYLE. If we could please set aside personalities. [Laughter.]

Secretary BENNETT. I would say if I were going to lose this program to anybody, I would like it to be Bill Brock.

Senator QUAYLE. But if you would lose it, if they would look at it as a sort of reorganization and they would say, OK, it has got to be combined, could you see some merit in that?

That has been an idea that has been kicked around. Do you see any merit in it?

Secretary BENNETT. Now, you advanced the hypothesis that the President has an idea and asked me whether I see any merit in that idea. Yes, I would see wisdom in the President's idea. [Laughter.]

Senator QUAYLE. Well, now, you have separated Bill Brock and his personality. Let us get rid of the President, too. [Laughter.]

Secretary BENNETT. OK.

Senator QUAYLE. Let us just talk about an idea.

Secretary BENNETT. OK, sure.

Senator QUAYLE. Let me do this. Maybe I will say, that would not bother you that much.

Secretary BENNETT. Sure. Look, I mean there are lots of ways to divide up the various pieces here. In the job I used to have people said, well, maybe we ought to make the National Endowment for the Humanities part of the Department of Education, and maybe the National Endowment for the Arts ought to be part of the Department of Education, too; that has been suggested. There are ar-

guments in favor of that, and I think there are some arguments opposed to it, too.

I do not think that either Bill or I are opposed to the general aim of simplicity, symmetry, better coordination. The question is—I mean, one of the questions I have is do you achieve that simply by having a single agency.

I ran an agency that was a single agency. The fact that it was a single agency did not mean that the functions were coordinated. I do think that in my perspective on vocational education, there is a burden of proof on taking it out, removing it from the general domain of education, for the reasons I mentioned earlier.

Is it an insensible idea? No, it certainly is not. Can one justify it and make arguments for it? Sure, whether it is Senator Quayle or Bill Brock or the President. The question is, What are the gains and what are the losses?

I think it is not obvious that a single agency will automatically give you the coordination that you seek, and I do think for reasons already mentioned there will be some loss if vocational education is not seen as part of all the other education programs.

Senator QUAYLE. Let me just ask one question of Bill Brock and then I will yield to Senator Simon, because I am going to ask Secretary Brock the same question I just asked you.

How about just taking the reverse, then, that a decision were made--would you like to see JTPA in the Department of Education? Would that help you in vocational education in education or not?

Secretary BENNETT. Frankly, I would feel less strongly and less inclined to inherit JTPA than I feel strongly about keeping vocational education.

Senator QUAYLE. So if you put it in priorities, first you would like to keep it, but if you were going to transfer this, you would feel less strongly about transferring it to the Department of Labor rather than JTPA being transferred to the Department of Education?

Secretary BENNETT. Yes, I think so.

Senator QUAYLE. OK. Let me ask that question of Bill Brock. Let me just say this. Let us just take a hypothetical, and I know everyone hates to answer hypotheticals, but let us just do it.

Could you enhance your ability to effectively run JTPA if, in fact, you had vocational education within your jurisdiction in the Department of Labor?

There seems to be a tendency not to support right now our proposal of having a separate agency and pulling it out, so therefore let us look at some of the alternatives to get this coordination.

It is a two-pronged question: Taking vocational education into the Department of Labor or giving it up to, say, the Department of Education. What would your feelings be on that?

Secretary BROCK. Well, let me make two or three points. I guess I should begin by saying that I really did not come in here as the corporate raider of the administration; I am not interested in turf.

I do think we all have a commitment to effectiveness that we are yet to achieve, and I was troubled by your comment earlier. Unfortunately, I agree that it is the nature of the system to try to sustain the status quo.

I think the status quo stinks.

Senator QUAYLE. Good.

Secretary BROCK. I really do, and that impels us to rethink the premise upon which the status quo is based. I think it requires us to ask again the question that should have been asked more effectively in 1962 about the division that was made in the Manpower Training Act of that year.

I do not know, Mr. Chairman, if we would be more effective. I do think that Bill Bennett's point about having a significant educational component of the vocational system is important.

I guess what I am worried about is that we seem to be limiting this conversation to just vocational education and JTPA, and I think it should be broader There are an awful lot of different training programs and education programs in government that could be coordinated much more effectively than we are now doing.

I hope we are beginning a very important and fundamental conversation. To repeat the point I made earlier, the vocational schools are doing some pretty decent work, and they are doing a lot of work with and for JTPA as contractors.

What I do not understand is why we are not doing more and why it is not being done at the local level. I know that Indiana is doing some work to pull these programs together, and I know that we in the Federal Government are not any barrier to that coordination.

I think Massachusetts is doing some interesting work, and one or two other States, but not many. There are 23 million people in this country that cannot read a help wanted sign, and that says something pretty lousy about our whole process and the inability of the system to address an enormous national, economic and human need.

I am not sure what the best way to go is, but I do think that what we have now simply is inadequate to the need. I am not talking about resources; I am talking process. I am not sure that the resources might not be adequate if we had an effective process of delivery.

Senator QUAYLE. I fully agree with that, and that is the reason I introduced the bill because the resources are there. I really think it is a process problem that we have.

Senator Simon?

Senator SIMON. First of all, I would like to commend the chairman for bringing this up. I think it is good for all of us to rethink. I like your statement that the status quo stinks, but the reality is whenever you talk about changing anything, there is automatically resistance, and sometimes things do need to be changed.

Now, just a few general observations and then a couple of questions, and then I am going to yield to my senior colleague who has contributed so much in this field of education from Rhode Island.

I would yield to you, if you wish to say anything.

Senator PELL. Could I——

Senator QUAYLE. Senator Pell, sure.

Senator PELL. I have to manage a bill on the floor very shortly. I just wanted to congratulate both of you on holding this hearing, and the chairman particularly, who is very interested in this subject; to say that I have had a chance to look over the legislation.

I recognize the importance of it because the Federal contribution is 10 percent of the total, but it is a very important 10 percent and

the part that can perhaps have an influence on the direction of the legislation itself and the actions that result from it.

One real concern about the legislation is that there is not enough representation on the board of directors for the education component. It is mostly employers and employees; that would worry me a little bit and I would want to examine the legislation more closely.

I ask unanimous consent that a statement may be put in the record as if read.

Senator QUAYLE. Without objection, Senator Pell.

Senator PELL. I thank Senator Simon very much indeed. Thank you.

Senator SIMON. I thank you.

There are some differences in vocational education and JTPA. One is vocational education is shifting some over to community colleges, but is still by and large a high school thing. JTPA tends to be a post-high school thing.

Vocational education tends to be training; JTPA tends to be retraining. I would be pleased to be corrected.

Secretary BROCK. I really think that the emphasis that we put on in the last year or two, Senator—my judgment is that the emphasis would have been on training rather than retraining.

We have been trying to maintain this congressional mandate of the youth component. Almost all of that is just pure training.

Senator QUAYLE. Title II, which is the bulk of the money, goes to training the economically disadvantaged, with a 40-percent set-aside for the young people which gets at a lot of the in-school and drop-outs. So the major component is training.

The retraining is more in title III, which is the dislocated worker provision.

Secretary BROCK. Yes, that is right.

Senator QUAYLE. That does not have near the amount of money. I do not know what the breakdown is.

Secretary BROCK. The problem is not so severe with retraining, in all honesty, although it is growing. But the biggest problem we have is with what has been called the underclass of people who simply do not have any adequate skills at all. I think that is where JTPA has had its primary focus, and, hopefully, primary result.

Senator SIMON. As both of you, particularly Secretary Brock, can appreciate, you go out and you visit things and you assume the places you have visited are the landscape, and not necessarily, so I may be in error on that.

On the retraining, incidentally, we spend less as a percentage of our GNP on retraining than any Western industrialized democracy.

Secretary BROCK. We are not in disagreement on that.

Senator SIMON. And one other point that you made, Secretary Brock that I think is important is that this is part of an overall thing. For example, you mentioned adult illiteracy, and Secretary Bennett has generously come out to Chicago for a Chicago school task force thing that we have.

I think we are going to be putting together an attempt to do something fairly dramatic in the city of Chicago and we would love to have both of your departments involved in it. That is not the subject of this hearing, but clearly you cannot have 23 million

adult Americans who cannot address an envelope, cannot fill out an employment form, and expect to have a healthy society.

Secretary BROCK. Right.

Senator SIMON. More specifically, Secretary Bennett, on the coordination that the chairman is trying to get, we tend to get assurances, and I think they are well-intentioned. The Supreme Court said "with all due deliberate speed," and nothing much happened.

You say we are going to get greater coordination soon. In your statement you say, "At the proper moment, we will be able to agree on some amendments to simplify and improve and move ahead." Can you give us any kind of a timetable?

Secretary BENNETT. Yes, I think so. As you may know, Senator, we are going through transition in our leadership of the Office of Vocational Education at the Department. We hope to have an assistant secretary appointed and confirmed soon.

I would hope that we would have some specifics in 6 months to 9 months, something like that—less than a year from now.

Senator SIMON. OK. So if we get back to you 6 months from now, you can at least give us a progress report and say where we are going?

Secretary BENNETT. Yes, for sure.

Senator SIMON. Secretary Brock says we have provided guidance to the States on the requirements for coordination between JTPA and vocational education.

I get some feedback from community colleges that somehow they are not—and maybe I should direct this to both of you—that they are not being pulled in in this whole process as much as they should be.

Any comments?

Secretary BROCK. It is probably true. I think what we are suggesting is something that really has to occur primarily at the local level because it is desired at the local level. There is, as both of you have noted, resistance to change.

But if we are not pushing hard enough, then I would accept the criticism and say we ought to do a better job of pushing. We do have the mandate of the three acts that affect this area, and I guess the community colleges and the technical institutes, which are a community college-level vocational school, are part and parcel of any solution.

The emphasis probably has been on JTPA-vocational educational high schools just because that was the easy beginning point. But if we are not doing an adequate job there, we certainly will try to do better.

Secretary BENNETT. Let me get just some balance into it, if I might, Senator. We get some complaints, of course, about what we do everywhere in the Department, but I think if one looks at community colleges particularly in the area of vocational education, my sense is, although people would always want us to do more and ask for better coordination, that in the last few years this has really been a rather remarkable, worth remarking about, American success story.

This is, as you know, the fastest growing segment of higher education. There is, I find, in many of the community colleges, in a lot of the material I read, in development of new courses, new pro-

grams, and the like, a sense and clarity of purpose, an aim that one frankly would wish for in some of our liberal arts institutions.

They are attracting unprecedented numbers of students who are starting programs and finishing programs, and with a high degree of satisfaction in their training. I do not mean to diminish the problems or difficulties, but I think that if we look at just that part of it, American higher education in the last 10 or 15 years, vocational education in the context of the community college—there is a lot to be proud of. But I do not have to tell the two of you that because you have played a role in that.

Senator SIMON. Since Secretary Brock also said we have to look at the larger picture, let me just ask your offhand impression of the individual training account; not as a substitute for unemployment compensation or anything else, but just as a general concept. We do not have any specific legislation right here before us right now.

What is the reaction of the two of you to that?

Secretary BROCK. It is a little hard to answer in the theoretical sense.

Senator SIMON. In the absence of something concrete; I understand.

Secretary BROCK. Yes, because you have to look at it in a budgetary context, and then you have to evaluate the yield versus the cost.

My own instinct would argue that almost anything we can do to encourage continuing education, we ought to be trying to do. What we have to do is find the most cost effective way of doing it within the constraints that we have.

But every piece of work we have done at the Department of Labor, certainly, since I have been there, but frankly for a good many years preceding that, indicates that the average young person coming out of high school is going to have four or five jobs simply because the jobs are going to change underneath their feet.

The world is changing that rapidly, and we have to put in place a commitment which we do not have in this country today, and a system to support that commitment, for continuing education, continuing skill upgrading, continuing training. There simply is no understanding in this country of the imperative of that if, for no other reason than to maintain our international competitiveness, but just simply in order to give human beings a chance to maintain themselves as productive human beings.

If that would be an effective component of that kind of system, I would say hallelujah.

Senator SIMON. Thank you.

Secretary BENNETT. Just a comment on that and your earlier comments, Senator, about illiteracy. It is quite right about the need for continuing education and the fact, and it is a fact, that the person we are talking about will have four or five different jobs

One of the things that we are focusing on and emphasizing, as you know, in the whole area of illiteracy is prevention. Nothing distresses us more, I think, than to at one time see the need for continuing education of individuals, continuing education of a sort that should have been done early on in the first place.

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Illiteracy is something we can solve. I mean, if we taught all children how to read the way we teach some children how to read, we could eliminate illiteracy, and we can do it early; we can do it in the first grade and the second grade and the third grade. This is the importance of getting at these problems early.

The thing that still, I suppose, troubles me and why I continue to linger almost sentimentally for the vocational education programs to be within the Department is that I think the more intimately tied vocational education is to labor force or labor market considerations, the more likely yoo are to conclude that the nature of vocational education, not at the college or higher education level but at the secondary or even elementary school level, needs to be job-specific, and that is not necessarily the right conclusion, if I am making myself clear.

It may turn out that the best prejob training that we can give to young people from age 12 through 17 is something that is not job-specific at all. Maybe it does not even talk about jobs; it maybe emphasizes math and English and history and science.

I think that is a live debate that is going on right now, and I am concerned that we not nip that debate in the bud by saying we all know what vocational education is for; it is for specific job training, and therefore it takes on a certain shape and character.

Where things are located can make that kind of difference. I would not want to argue, Senator Quayle, that that is a real hard case or an open-and-shut argument on this issue, but it, I think, explains part of my reluctance here on the creation of a new entity.

Secretary BROCK. If I may just try to add a bit to that, I think I would share Bill Bennett's concern about anything that would make a major element of the process job-specific. That would be a mistake.

It also would be a mistake to assume that what we are now doing is anything close to adequate. We are each year seeing 700,000 young people drop out of school in this country. Twenty-eight percent of our high school students do not finish high school; 5 percent of the Japanese students do.

When they are in school, many do not learn anything. In addition to the 700,000 dropouts, another 700,000 are graduating as functional illiterates. What are we doing, paying those principals, teachers, and school boards, if we are graduating students as functional illiterates?

I do not understand what in the hell is going on in this country. You know, Bill Bennett is absolutely right. If we are going to teach them something, it is not just the subject; it is the self-discipline that comes with having to do some work and perform up to a standard. If we are not teaching them that, we are not teaching them anything that is worth anything.

It is not a matter of where these functions are housed; it is a matter of the commitment with which we enforce them and pursue them and support them. We do not seem to have that yet.

Senator SIMON. This is more of a dialog here.

Secretary BROCK. Yes.

Senator SIMON. Then I will turn this back to you, Mr. Chairman, but in dropout terms, we have talked about the Chicago schools.

Forty-seven percent of the Hispanic students drop out between entering and leaving.

Secretary BROCK. That is correct.

Senator SIMON. Forty-five percent of the black students, 34 percent of the white students, 19 percent of the Asian students—all of them figures that are just way, way too high.

Underscoring what you are saying that we are not doing enough, we have two trend lines in this country that we are not paying attention to. One is the demand for unskilled labor is going down and there simply is no way we are going to change that line.

The other is the pool of unskilled labor is going up, and that line can be changed by what we are talking about right here. It is not going to be changed overnight; it is not going to be changed dramatically, but we had better work on it or this society is not going to be as competitive as it ought to be.

Secretary BROCK. Senator, every month I get data from our people on the evaluation of the future job needs of this country—1990, 1995, 2000, 21st century-type employment. Every single one of the 10 fastest growing occupations in the United States is going to require, at an absolute, bare-bones minimum, a high school education that is accompanied by some concept of literacy and ability to communicate. Twenty-five percent of them are going to require at least a 4-year college training program.

What you are saying is, and you are right, the two lines have crossed and are going in exactly the wrong direction. We can address one of them, and we have to address it, and soon.

We are going to be short of skilled people in this country in the near term before the end of this decade; we are going to be shy of skills, and that is tragic when you have these people out there who want to work but do not have the skills to give them an opportunity.

Senator SIMON. I thank you both very much. Thank you, Mr. Chairman.

Senator QUAYLE. Thank you, Senator Simon. I certainly concur that that gap has to be narrowed and turned around. That is the reason I introduced this legislation, S. 1990, and I think it is good to at least get a beginning of a dialog and a discussion of what we are going to do about the process.

You look at this problem and take the lack of skilled labor force that we have in the future. Some people say, well, it is just an education problem; other people may say, well, it is just a training problem.

But what we have not been able to do is to realize that it is both; that you have to educate these people and you have to train them. As Bill Brock said, unfortunately—or fortunately, depending on how you look at it—the fortunate side is that the economy is growing and you have all sorts of new businesses. The unfortunate aspect is individuals are going to have to have three, four, maybe five different jobs in their lifetime.

The fact that they lose their jobs is not because they did not perform well; it is just the way that structured changes are occuring in the economy. It means they are going to have to get retraining and perhaps other education and training.

The way that the system is set up now, despite all the great intentions is not most cost effective—and you two have obviously done a lot in coordination, far more than anybody else since I have been in coordinating activities. You still have these separate entities, processes, interest groups that go in different directions.

Somehow, we have to get them coming together, given the fact that we are going to have these constraints from a fiscal point of view in the future. That is one of the reasons that I am proposing to create this separate board. Senator Pell is suggesting that perhaps we do not have enough education on it.

The Secretary of Education is on it, but I would be willing to look at changing the composition of the board to give it maybe more of an educational tilt. But we do reach out and say to the private sector, which we are going to rely upon—I mean, let us face it; rely on the private sector, bring them in and give them some real meaningful authority of how we are going to go about combining and getting out of these attitudinal barriers that we have erected over these years.

That is our challenge and, you know, that is where we are going. I am indebted to both of you for coming here today and beginning this process. We are going to have witnesses next week that are going to testify on our proposal, or perhaps any other proposals.

I am not saying that this is the only proposal that is going to make any sense to get consolidation and get better allocation of our resources and our energies. It is certainly one idea.

We have heard statements of dedication that we have to improve what we have done, so do either of you have any final comments before I adjourn this hearing?

Secretary BROCK. Well, I would point out that this is not an adversarial process. All four of us, I think, from the tone of the comments, agree. What we have to do is find the best possible answer.

As for myself—and I know Bill feels this way—we are going to be trying very hard to work together and do whatever we can to coordinate under the present law and the present rules.

But as you think about it, we would like to work with you; we would like to stay with you close, tight, and think this thing out and see how we can improve it. As Bill and I were saying earlier, hold our feet to the fire, and you check on us and be sure that we are doing what we ought to be doing within the constraints we have now, because we would like to be pushed.

Secretary BENNETT. Ditto.

Senator QUAYLE. Thank you very, very much.

The subcommittee is adjourned.

[Whereupon, at 11:05 a.m., the subcommittee was adjourned.]

EDUCATION AND TRAINING PARTNERSHIP ACT

TUESDAY, FEBRUARY 25, 1986

U.S. SENATE,
SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY,
COMMITTEE ON LABOR AND HUMAN RESOURCES,
Washington, DC.

The subcommittee convened, pursuant to notice, at 9:28 a.m., in room SD-430, Dirksen Senate Office Building, Senator Dan Quayle, (chairman of the subcommittee) presiding.

Present: Senators Quayle, Grassley, Simon, and Dodd.

OPENING STATEMENT OF SENATOR QUAYLE

Senator QUAYLE. The committee will come to order.

This is the second of two hearings on S. 1990, the Education and Training Partnership Act that I am conducting as chairman of the Subcommittee on Employment and Productivity. Last Wednesday, on February 19, we had a hearing to discuss S. 1990 with the Secretary of Education, Willliam J. Bennett, and the Secretary of Labor, William E. Brock III.

I was very encouraged by that discussion. We laid the groundwork for agreement on some of the key concerns as we look toward the future of our economy and the labor force. Structural changes in the economy combined with demographic trends in the labor force point to the need for national leadership to educate and train our work force.

In recent years, structural changes in the economy have been the cause of large-scale unemployment in the auto and steel industries. The Bureau of Labor Statistics found that, between 1979 and 1984, 11.5 million American workers lost jobs because of plant closings or mass layoffs, largely in manufacturing industries. In 1984, one-quarter of those who had held their previous jobs for 3 or more years were still unemployed.

The agricultural sector has also fallen prey to major demographic shifts. At the turn of the century, about 38 percent of the work force were farmers, but by 1982, that figure had fallen to about 3 percent. Now we are again seeing displacement of a large number of farmers across the country.

Worker dislocation is an indicator of the changing nature of employment. As a result of technological developments, improved productivity and international competition, more and more workers are dislocated several times during their careers. Training and retraining is becoming a lifetime process. This means that workers need basic skills to learn how to do new jobs.

However, the illiteracy rate in the United States is high and shows signs of increasing. About 23 million people are functionally illiterate, meaning they have difficulty carrying out such ordinary activities as writing checks or reading prescriptions. This number increases each year by about 2.3 million through high school dropout, immigration, and refugeees.

Labor Force demographics provide additional evidence of a growing need for education and training. Essentially, the majority of those who will be in the labor force during the first part of the next decade are already employed. Due to the lack of new labor force entrants, increased education and training opportunities and efficient use of limited resources is essential.

The rate of growth in the labor force, which was 2.7 percent in the period from 1975 to 1980, is expected to slow down to 1.3 percent between 1984-90. From 1990-95, the rate is predicted to slow to about 1 percent. In the foreseeable future, the labor force will be largely composed of individuals who are 25 to 54 years-old, with fewer new entrants and early departure by older workers.

Youth, between the ages of 16 to 24 will decrease as a percentage of labor force, dropping from 23.7 percent in 1980 to 15.6 percent in 1994. Older workers will drop from 14.1 percent in 1980 to 10.2 percent. The median age of the labor force will increase from 35 years old in 1984 to 38 years old in 1995. These trends reflect the overall decrease in youth as a percentage of the population and the tendency among the elderly to retire at increasingly younger ages.

Among new entrants, a close look at demographic trends for youth supports a reevaluation of our ability to adequately educate and train our future work force. Minority youth are growing as a percentage of the total youth population. These youth have traditionally come disadvantaged backgrounds and experience high unemployment rates. In 1982, unemployment rates for black dropouts was 71 percent. For black graduates, it was 58 percent.

In California, Texas, and Florida almost half the school-age population is minority: Hispanic, black, and Asian. Through 1990, minorities will make up 20 percent of the growth in the labor force.

Another source of new entrants into the labor force are displaced homemakers, who have a different set of education and training needs. There are between 2.2 and 4 million displaced homemakers, and their numbers are increasing.

At the hearing last Wednesday, Secretaries Brock and Bennett were able to come to an agreement that these trends suggest the need to reassess the Federal role in meeting the education and training challenge before us.

The current administrative structure traces its development back to the enactment of the Smith-Hughes Act in 1917, the Manpower Development and Training Act in 1962 and the Wagner-Peyser Act in 1933. The economic situation that we are faced with today is dramatically different from what it was when those programs were enacted. Today we are facing tight financial constraints, and we are considering severe cuts in the Federal budget. The question we must answer as we proceed with this examination is how are we going to spend the limited funds we have?

Secretary Brock and Secretary Bennett agreed with me that the populations served and the services provided by the Job Training

Partnership Act [JTPA], are also served and provided by vocational education. These systems together should retrain adults and educate youth for the jobs of tomorrow.

I initiated this review of Federal involvement with labor market programs because of legislative reforms Congress enacted in recent years. Since 1982, Congress revised the laws governing vocational education, the Employment Service, and most dramatically, the area of job training, where I successfully sponsored the Job Training Partnership Act.

Congress believed administrative reforms were necessary to make these programs more responsive to our Nation's labor market needs. To improve State and local administration, Congress increased the involvement of the private sector and removed barriers to coordination among related activities. States and localities are carrying our those reforms.

Consequently, I began this examination of the administrative structure that carries out the federal role in the labor market. Is it desirable to improve coordination among Federal agencies with related responsibilities and to increase private sector involvement at the Federal level?

I am deeply concerned about the demands that will be made upon our human resources as the trend toward an increasingly competitive world economy continues. Do we need to focus national policy on the development of human resources which are so crucial to sustaining our economic competitiveness? Should this be done by enhancing or consolidating national leadership? Would this increased visibility, emphasizing investment in our human resources as a national priority, ensure continued funding within available resources?

In 1981, the Subcommittee on Employment and Productivity held a joint hearing with the Subcommittee on Education to examine the relationship between job training and vocational education. At that hearing there seemed to be agreement about what the Federal approach to education and training should be. It should be decentralized, involve the private sector, direct resources toward populations with special needs, and very importantly, it should be flexible. Those principles guided the development of JTPA and the Carl D. Perkins Vocational Education Act. I believe that those same principles should guide us in this critical look at the Federal role and be the basis for any reforms.

As we proceed with these exploratory hearings, I look forward to receiving testimony from a wide variety of perspectives on the issues I am raising for consideration. I consider S. 1990 a starting point for discussions. Comments on related issues or alternative proposals are most welcome.

Let us go ahead and get started with our witnesses if they would come forward: Bill Burtnett, Tony Carnevale, Henrietta Dabney, Bill Kolberg, and Markley Roberts.

Let me preface the hearing today—first, I hope you will excuse my lateness. It was not anticipated. I had real difficulty getting down through E Street. For some reason, it was closed off completely.

Let me just say that we had a good hearing last week with the Secretary or Labor, Bill Brock and Bill Bennett, the Secretary of

Education, on this subject matter. Both testified to the importance of employment training and vocational training.

At the outset, I am committed to trying to get a focus on this issue of employment training and vocational education. I think it is absolutely essential that we do a better job in what we are doing today as far as educating and training our labor force for jobs today and in the future.

Now, in your testimony—you can go ahead and submit it if you like, and speak extemporaneously, or however you want; I think we have the timer set for about 4½ minutes, because I have to leave by 11:30. So we have 2 hours of testimony to take today, and we have four panels, and we want to leave some time for questions. I hope that in your statement that you will focus on either maintaining the status quo, which I think ought to be improved upon and improved upon procedurally, or come up with some changes. If not, we will get into it in the questions.

We have put out a bill, S. 1990, the Education and Training Partnership Act, that consolidates the Federal administration of vocational education, employment training and the employment Service. We would also like to see more private sector participation at the Federal level, We have that now at the local level. We think that what has worked at the local level, particularly in JTPA, ought to be worthwhile at the Federal level.

So as we start this discussion, my idea is to improve federal administration of labor market related programs. There is no doubt that I and members on this subcommittee have a commitment to try to see if we can do a better job. And at the hearing that we had last week, everybody indicated that we should in fact be doing a better job.

And I am not just talking about additional money. Obviously, money is important, but more important than the amount of money is how you go about spending the money; how do we spend our precious resources.

So I hope that we might get a dialogue and get a focus and begin to bring national attention to this problem. And this problem figures out to the bottom line, to the profits to the private sector; it figures out to the bottom line to the worker, because you are talking about a job, and you are talking about preparing that individual for a job and an opportunity. And I am convinced that we can do better than the status quo. When we look at it, we have to look at the whole picture, and as we look at the whole picture, I think we find a commitment, but sometimes we get carried away, and we always want to stay with the way that we have done things in the past, and I think we can improve upon that.

At this time we will receive for the record statements from Senators Grassley, Kennedy, Dodd, and Simon.

[The statements referred to follow:]

STATEMENT BY SENATOR GRASSLEY BEFORE THE EMPLOYMENT AND PRODUCTIVITY SUBCOMMITTEE HEARING ON S. 1990, THE EMPLOYMENT TRAINING PARTNERSHIP ACT ON FEBRUARY 25, 1986.

MR. CHAIRMAN, UNFORTUNATELY I HAVE TWO OTHER COMMITMENTS AND ANOTHER HEARING I MUST ATTEND, SO I WILL NOT BE ABLE TO STAY FOR THE ENTIRE TIME. I WAS PLEASED TO NOTICE THAT ONE OF TODAY'S WITNESSES, MR. MICHAEL CRAWFORD, IS FROM MY HOME STATE OF IOWA. WITH YOUR PERMISSION, I WOULD LIKE TO INTRODUCE MR. CRAWFORD TO THE SUBCOMMITTEE AT THIS TIME.

I AM PLEASED TO INTRODUCE MR. CRAWFORD TO THE SUBCOMMITTEE. MR. CRAWFORD IS CHANCELLOR OF THE EASTERN IOWA COMMUNITY COLLEGE DISTRICT, WHO BRINGS A WEALTH OF TWENTY-FIVE YEARS EXPERIENCE IN EDUCATION TO BEAR ON THE TESTIMONY HE WILL PRESENT HERE TODAY.

IN ADDITION TO REPRESENTING THE THREE CAMPUSES OF THE EASTERN IOWA COMMUNITY COLLEGE DISTRICT, HE IS HERE REPRESENTING THE VIEWS OF THE JOINT COMMISSION ON FEDERAL RELATIONS OF THE ASSOCIATION OF COMMUNITY COLLEGE TRUSTEES AND THE AMERICAN ASSOCIATION OF COMMUNITY AND JUNIOR COLLEGES.

HE IS NOT UNFAMILIAR WITH OUR CAPITAL CITY, NOR THE WORKINGS OF OUR GOVERNMENT SINCE HE SERVED ON PRESIDENT CARTER'S NATIONAL ADVISORY COUNCIL ON ADULT EDUCATION AND WAS ASKED BY FORMER SECRETARY BELL TO SERVED ON AN AD HOC ADVISORY COMMITTEE ON PUBLIC-PRIVATE PARTNERSHIPS IN EDUCATION. IN ADDITION, HE SPENT THREE YEARS HERE IN WASHINGTON AS EXECUTIVE DIRECTOR OF ACCTION CONSORTIUM.

MR. CRAWFORD IS AN ARTICULATE SPOKESMAN FOR THE UNIQUE ROLE THAT COMMUNITY COLLEGES PLAY IN THE DEVELOPMENT OF AMERICAN'S HUMAN RESOURCES. UNDER MR. CRAWFORD'S CAPABLE ADMINISTRATION AND LEADERSHIP, HIS COMMUNITY COLLEGE SYSTEM HAS DOUBLED IN SIZE AND RISEN TO MEET THE CHALLENGE OF A DEPRESSED MIDWESTERN ECONOMY. HIS COMMUNITY COLLEGE SYSTEM HAS REACHED OUT TO PROVIDE ACCESS TO DISPLACED FARMERS, UNEMPLOYED WORKERS AND NON-TRADITIONAL STUDENTS. HE HAS BEEN APPOINTED BY GOVERNOR BRANSTAD TO THE COMMITTEE FOR IOWA'S FUTURE GROWTH AND TO IOWA'S PARTNERSHIP FOR ECONOMIC PROGRESS, A GROUP OF THIRTEEN PEOPLE ADVISING THE GOVERNOR ON FUTURE ECONOMIC DEVELOPMENT PLANS FOR THE SENATE OF IOWA.

I AM PLEASED TO WELCOME MR. CRAWFORD TO THESE HEARINGS. HE IS NOT ONLY A LONGTIME PERSONAL FRIEND, BUT A LONGTIME FRIEND TO EDUCATION IN OUR STATE. I KNOW THAT HIS TESTIMONY WILL ADD AN INSIGHTFUL DIMENSION TO OUR HEARINGS TODAY ON THE EDUCATION AND TRAINING PARTNERSHIP ACT.

ORRIN G. HATCH, UTAH, CHAIRMAN
ROBERT T. STAFFORD, VERMONT
DAN QUAYLE, INDIANA
DON NICKLES, OKLAHOMA
PAULA HAWKINS, FLORIDA
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SPARK M. MATSUNAGA, HAWAII
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United States Senate
COMMITTEE ON LABOR AND
HUMAN RESOURCES
WASHINGTON, DC 20510

February 25, 1986

Senator Dan Quayle
Chairman
Subcommittee on Employment
and Productivity
Committee on Labor and
Human Resources
Washington, D.C.

Dear Senator Quayle:

I regret that I will be unable to attend this morning's hearing on S.1990.

I do wish to welcome Kay Stratton who is testifying before you today. Ms. Stratton is the Associate Secretary of Economic Affairs in the Massachusetts Office of Training and Employment.

I look forward to reviewing today's testimony and to working with you on S. 1990.

Sincerely,

Edward M. Kennedy

STATEMENT OF SENATOR CHRISTOPHER J. DODD

SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY

FEBRUARY 25, 1986

MR. CHAIRMAN, LET ME PREFACE MY REMARKS BY THANKING YOU FOR HOLDING THIS SET OF HEARINGS ON THE PROPOSED EDUCATION AND TRAINING PARTNERSHIP ACT, AND THE RELATIONSHIP BETWEEN THE FEDERAL GOVERNMENT'S VOCATIONAL EDUCATION AND JOB TRAINING PROGRAMS. I KNOW THE OTHER MEMBERS OF OUR COMMITTEE SHARE MY APPRECIATION FOR WHAT YOU AND SENATOR SIMON HAVE ACCOMPLISHED IN THE AREA OF EMPLOYMENT-RELATED EDUCATION AND TRAINING.

THESE HEARINGS - AND YOUR LEGISLATIVE PROPOSAL - COME AT A CRITICAL JUNCTURE IN THE ECONOMIC HISTORY OF OUR NATION. THE AMERICAN ECONOMY IS CHANGING RAPIDLY, BECOMING ONE OF WORDS, INFORMATION, AND TECHNOLOGY. AS THIS TRANSFORMATION OCCURS, NEW DEMANDS ARE BEING PLACED ON INDUSTRY, LABOR, AND ALL LEVELS OF GOVERNMENT TO ENSURE THAT DISPLACED WORKERS HAVE THE CHANCE TO PARTICIPATE IN AND BENEFIT FROM NEW EMPLOYMENT OPPORTUNITIES IN EMERGING FIELDS. NO LESS IMPORTANT IS OUR RESPONSIBILITY TO HELP TOMORROW'S WORKERS ACQUIRE THE SKILLS WHICH THEY WILL NEED TO PROSPER IN THE GLOBAL MARKETPLACE OF THE FUTURE.

TOGETHER, VOCATIONAL EDUCATION AND JOB TRAINING PROGRAMS FORM THE FOUNDATION OF OUR NATIONAL EFFORT TO MEET THE CHALLENGES OF THIS TECHNOLOGICAL AGE. CONGRESS RECENTLY ENACTED MAJOR CHANGES IN THE FEDERAL GOVERNMENT'S VOCATIONAL EDUCATION AND JOB TRAINING PROGRAMS TO MAKE THEM MORE RESPONSIVE TO THE NATION'S LABOR-MARKET NEEDS. FOR EXAMPLE, THE CARL D. PERKINS VOCATIONAL EDUCATION ACT OF 1984 INCLUDES A PROVISION WHICH I AUTHORED, TO ESTABLISH INDUSTRY-EDUCATION PARTNERSHIPS FOR TRAINING IN HIGH-TECHNOLOGY OCCUPATIONS. THE PERKINS ACT ALSO ESTABLISHES DEMONSTRATION CENTERS FOR THE RETRAINING OF DISLOCATED WORKERS AND REQUIRES INCREASED COORDINATION BETWEEN LOCAL VOCATIONAL EDUCATION AND JOB TRAINING AND EMPLOYMENT SERVICE PROGRAMS.

THANKS TO THE HARD WORK AND DEDICATION OF THE CHAIRMAN OF THIS SUBCOMMITTEE, CONGRESS ALSO ENACTED THE JOB TRAINING PARTNERSHIP ACT IN 1982. THIS LAW, WHICH REORGANIZED THE FEDERAL GOVERNMENT'S JOB TRAINING PROGRAMS, ESTABLISHED WHAT HAS THUS FAR BEEN A SUCCESSFUL AND INNOVATIVE SYSTEM OF PROGRAM ADMINISTRATION AND SERVICE DELIVERY. THE KEY TO JTPA'S SUCCESS? THE INVOLVEMENT OF PRIVATE EMPLOYERS IN DETERMINING LOCAL JOB TRAINING PROGRAMS AND PRIORITIES.

CONGRESS ENACTED THE PERKINS ACT AND JTPA WITH ONE GENERAL GOAL IN MIND: TO ENSURE THAT THESE FEDERAL PROGRAMS PLAY A CENTRAL ROLE IN THE NATIONAL EFFORT TO MEET THE CHALLENGES OF A GLOBAL ECONOMY. FOR THIS REASON, I AM PERPLEXED AND DISAPPOINTED BY THE REAGAN ADMINISTRATION'S FY1987 BUDGET, WHICH PROPOSES TO SLASH FUNDING FOR THESE PROGRAMS AT A TIME WHEN NATIONAL LEADERSHIP IN EDUCATION AND JOB TRAINING IS MOST CRITICAL.

AS A SUPPORTER OF THE GRAMM-RUDMAN-HOLLINGS BALANCED BUDGET LAW, I FULLY RECOGNIZE THE NEED TO REDUCE FEDERAL DEFICITS IN A FAIR AND BALANCED MANNER. BUT THE BUDGET CUTS ENVISIONED FOR VOCATIONAL EDUCATION AND JOB TRAINING GO WAY BEYOND THE ACROSS-THE-BOARD CUTS WHICH MAY BE REQUIRED UNDER THE DEFICIT CONTROL STATUTE. FOR VOCATIONAL EDUCATION, THE PRESIDENT HAS PROPOSED A 50 PERCENT CUT IN FUNDING, FROM THE POSTSEQUESTRATION LEVEL OF $813.1 MILLION FOR FY1986 TO $408.1 MILLION FOR FY1987. THIS CUT WOULD COME ON TOP OF A PROPOSED RESCISSION OF $210 MILLION IN FY1986 FUNDS.

FUNDING FOR PROGRAMS ADMINISTERED UNDER THE JOB TRAINING PARTNERSHIP ACT WOULD BE CUT BY 13 PERCENT FROM THE FY1986 POSTSEQUESTRATION LEVEL. THIS REDUCTION WOULD FOLLOW A PROPOSED FY1986 RESCISSION OF $342 MILLION. MORE SPECIFICALLY, THE PRESIDENT'S FY1987 BUDGET WOULD REDUCE FUNDING FOR THE HIGHLY

SUCCESSFUL JOBS CORPS BY 43 PERCENT, WHILE THE SUMMER YOUTH EMPLOYMENT AND TRAINING PROGRAM WOULD BE CUT BY 33 PERCENT. AND WHILE THE PRESIDENT HAS PROPOSED LEVEL FUNDING FOR JTPA'S DISLOCATED WORKER PROGRAM, THE ACTUAL NUMBER OF SUCH WORKERS SERVED WOULD DECLINE IN FY1987 DUE TO THE PROPOSED ELIMINATION OF THE TRADE ADJUSTMENT ASSISTANCE PROGRAM.

MR. CHAIRMAN, AS WE CONSIDER THE CHANGES WHICH S. 1990 WOULD MAKE IN THE ADMINISTRATION AND OVERSIGHT OF VOCATIONAL EDUCATION AND JOB TRAINING PROGRAMS, I HOPE WE WILL NOT LOSE SIGHT OF THE FUNDAMENTAL BELIEF WHICH MOST OF US SHARE: THESE PROGRAMS HELP TO ENSURE THAT OUR NATION HAS THE HUMAN RESOURCES NECESSARY TO MEET THE CHALLENGES OF A NEW ECONOMIC ERA. CERTAIN REVISIONS AND AMENDMENTS MAY BE NECESSARY TO IMPROVE PROGRAM COORDINATION AND ADMINISTRATION. BUT TO SUBJECT THESE PROGRAMS TO DISPROPORTIONATE BUDGET CUTS IS NOT ONLY BAD FISCAL POLICY BUT BAD ECONOMIC POLICY. WE MUST ALWAYS KEEP IN MIND THAT FEDERAL FUNDING FOR EDUCATION AND TRAINING REPRESENTS NOT SPENDING BUT INVESTMENT: INVESTMENT IN THE FUTURE OF OUR NATION.

STATEMENT OF SENATOR PAUL SIMON

SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY

FEBRUARY 25, 1985

MR. CHAIRMAN, I AM PLEASED TO JOIN YOU AGAIN TODAY TO CONTINUE THESE HEARINGS ON S. 1990, THE EDUCATION AND TRAINING PARTNERSHIP ACT. S. 1990 WOULD CREATE A NEW AGENCY TO ADMINISTER: (1) THE JOB TRAINING AND PARTNERSHIP ACT; (2) THE WAGNER-PEYSER ACT (WHICH AUTHORIZES THE U.S. EMPLOYMENT SERVICE); AND (3) THE CARL D. PERKINS VOCATIONAL EDUCATION ACT.

AS I INDICATED AT LAST WEEK'S HEARING, I HAVE SEVERAL CONCERNS ABOUT THIS LEGISLATION. FIRST, I DON'T BELIEVE THAT REORGANIZING THE ADMINISTRATIVE STRUCTURE FOR VOCATIONAL EDUCATION AND JOB TRAINING AND PARTNERSHIP ACT WILL IMPROVE THE DELIVERY OF SERVICES TO PROGRAM PARTICIPANTS. SECOND, ANY REORGANIZATION OF THESE PROGRAMS SHOULD FOLLOW CONGRESSIONAL ACTION ON WELFARE/WORKFARE REFORM SINCE ANY LEGISLATIVE INITIATIVES IN THIS AREA MUST ENCOMPASS EMPHASIS ON BASIC SKILLS EDUCATION AND EMPLOYMENT TRAINING. THIRD, ANY ATTEMPT TO REDUCE SPENDING FOR VOCATIONAL EDUCATION, JOB CORPS, JTPA AND TRADE ADJUSTMENT ASSISTANCE WILL UNDERCUT ANY ATTEMPT TO ADDRESS THE LONG-TERM GOALS OF FULL-EMPLOYMENT AND WELFARE REFORM.

I AM WILLING TO WORK WITH MY COLLEAGUE TO FASHION AN EFFECTIVE AND EFFICIENT SYSTEM OF EDUCATION AND EMPLOYMENT TRAINING. I AM NOT COMMITTED TO EXISTING PROGRAMS OR DELIVERY SYSTEMS. I AM WEDDED TO ONLY TWO THINGS -- EDUCATING EVERY

AMERICAN TO HIS OR HER FULLEST POTENTIAL AND PUTTING AMERICA BACK TO WORK!

I LOOK FORWARD TO HEARING THIS MORNING THE TESTIMONY OF OUR WITNESSES.

I ask unanimous consent to include in the record, at this point, a summary of the recent report of the Office of Technology and Assessment -- "Technology and Structural Unemployment: Remploying Displaced Adults."

OTA REPORT BRIEF

February 1986

Technology and Structural Unemployment: Reemploying Displaced Adults

Millions of American workers are losing their jobs each year because of structural changes in the U.S. and world economies. Some of them—especially younger workers with skills in demand or the right educational background—get right back to work in new jobs. Others remain out of work for months, even years. Many of the displaced are middle-aged unskilled or semiskilled manufacturing workers, with long and stable job histories. **Mechanisms for worker adjustment—such as job training programs and education for adults—have not kept up.**

Over the 5 years from 1979 to 1984, 11.5 million American workers lost jobs because of plant shutdowns or relocations, rising productivity, or shrinking output, according to a 1984 survey by the U.S. Bureau of Labor Statistics (BLS). In 1984, one-quarter of those who had held their previous jobs for 3 or more years were still unemployed. **Of those who found new jobs, at least half took cuts in earnings.**

Although manufacturing now accounts for less than 20 percent of U.S. employment, **nearly half of all workers displaced from 1979 to 1984 worked in manufacturing industries, especially those hard hit by international competition.** The service jobs that the U.S. economy has created in the past few years are not equivalent to the old manufacturing jobs. The pay is not as good (average hourly pay in the service sector was $7.52 in 1984, compared with $9.18 in manufacturing), and the better service jobs require skills or education that most displaced workers do not have.

Given the incentives leading U.S. firms to invest overseas and take advantage of cheap labor, or to use less labor at home, displacement is bound to continue. **Manufacturing jobs—especially production jobs—probably will continue to decline. Within manufacturing, the most vulnerable jobs are those of unskilled and semiskilled production workers.** These jobs are not only the easiest to automate, they are also the easiest to move overseas. In all sectors of the economy, service as well as manufacturing, manual labor and routine mental tasks are vulnerable to computer-based technology.

The Federal Government has supplemented its traditional employment programs with new assistance for displaced workers, mainly through Title III of the Job Training Partnership Act of 1982 (JTPA). Reports on the first 2 years of operation show that JTPA programs are helping displaced workers find new jobs. **However, it is likely that no more than 5 percent of those eligible are being served.** It appears that vocational skills training is not strongly emphasized. Retraining in basic educational skills is mostly neglected, although about one-fifth of all adult workers probably need improvement of their basic skills to get jobs with good possibilities for advancement. **To help provide the skilled work force that American industries need to maintain competitiveness in the world economy, the program will have to reach many more displaced workers, and emphasize training—particularly basic skills training—more strongly.** Educational technologies offer considerable promise in helping adults overcome basic skills deficiencies.

Another group of displaced people, with especially difficult problems of finding adequate jobs, is displaced homemakers. These are women whose main job has been home and family, but who now must support themselves because of divorce, widowhood, disability, or long-term unemployment of their spouse, or loss of eligibility for public assistance. **The population of displaced homemakers is 2.2 to 4 million, and the number is growing.** Federal assistance to displaced homemakers recently was substantially increased in the Carl D. Perkins Vocational Education Act of 1984. Yet support for the programs serving this group is still small in relation to their numbers. **Barriers to employment are higher for displaced homemakers than for mainstream displaced workers.**

Policy options include congressional actions that could bring prompt effective services to workers in plants that are closing, enhance both vocational and basic education and training in JTPA and other programs, improve delivery of assistance to displaced homemakers, improve labor market and occupational information, encourage employers to offer workers chances at both vocational and basic education while they are still employed, and emphasize research on the effects of technological change on jobs.

Copies of the OTA report, "Technology and Structural Unemployment: Reemploying Displaced Adults," are available from the U.S. Government Printing Office. The GPO stock number is 052-003-01017-8; the price is $15.00. Copies of the report for **congressional use** *are available by calling 4-8996. Summaries of reports are available at no charge from the Office of Technology Assessment.*

The Office of Technology Assessment (OTA) is an analytical arm of the U.S. Congress whose basic function is to help legislators anticipate and plan for the positive and negative impacts of technological changes.
Address: OTA, U.S. Congress, Washington, DC 20510. Phone: 202-224-9241. John H. Gibbons, *Director*.

So our first witness, from the great Midwestern State of Indiana where people understand how to not only produce, but the private sector certainly involved. I know Bill Burtnett well. He testified at a hearing we had in Fort Wayne last year during oversight of the Job Training Partnership Act. He has been very active in the Northeast Indiana PIC Council as a member and now is the chairman. He is the owner of Vintage Tin, and he comes from Fort Wayne, which is about 25 miles from my home town.

So, welcome, fellow Hoosier, and somebody who has been a very ardent supporter and advocate, and at times, critic—politely so—of what we have.

So Bill, if you would start, we have a little clock there set at the 4 minutes. Try and summarize in 10 seconds or less, and then we will be on to the next person.

STATEMENT OF BILL BURTNETT, OWNER, VINTAGE TIN, AND PRIVATE INDUSTRY COUNCIL CHAIRMAN, NORTHEAST INDIANA SERVICE DELIVERY AREA, FORT WAYNE, IN; ANTHONY P. CARNEVALE, CHIEF ECONOMIST AND VICE PRESIDENT, AMERICAN SOCIETY FOR TRAINING AND DEVELOPMENT, ALEXANDRIA, VA; HENRIETTA L. DABNEY, DIRECTOR OF RESEARCH, AMALGAMATED CLOTHING AND TEXTILE WORKERS UNION, NEW YORK, NY, ON BEHALF OF JACK SHEINKMAN, SECRETARY-TREASURER; WILLIAM H. KOLBERG, PRESIDENT, NATIONAL ALLIANCE OF BUSINESS, WASHINGTON, DC; MARKLEY ROBERTS, ECONOMIST, ECONOMIC RESEARCH DEPARTMENT, AFL-CIO, WASHINGTON, DC

Mr. BURTNETT. Mr. Chairman and members of this committee, I strongly support the proposal presented by you for Private Industry Council assistance on a national level to administer the Job Training Partnership Act, the Carl D. Perkins Act, and the Wagner-Peyser Act.

The initial JTPA has proven that the private sector and the local elected officials can and are working far more successfully than was anticipated to streamline the use of Federal money at the local level.

New and innovative programs in training and findings jobs has happened in those service delivery areas where the Private Industry Council has taken a strong leadership role.

Believe me, gentlemen, the initial implementation and the cooperation was not easy. In fact, the grant recipients from the administrative entity had already been selected in our SDA without the Private Industry Council's involvement. Our role could have been a minor one, to say the very least.

The act itself seems clear, but as it filtered down from the national level, the interpretation became quite vague. You could have saved us a lot of time and effort on the national level if you had involved us in the initial planning of JTPA. I think the key word here is "planning".

The proposal by you, Senator Quayle, does precisely that on a national level. In fact, it carries that a step further. If we on the local level have to coordinate and cooperate with all those agencies as described in the JTPA legislation, and the same thing must occur

on the national level, if you want me to coordinate with the Employment Service, for example, I resent the fact that there are several measurements placed on JTPA, but these same measurements are not brought across the board for the other agencies involved. I think this is a key issue that has to be addressed on a national level.

As a PIC volunteer, I have been able to sit back and make a lot of sound decisions on the operation of the JTPA Program, but I have also been able to make several observations. And I think we are discussing that right now now, gentlemen, and my main observation is we are discussing turf.

I have had the opportunity to review the testimony of Mr. Bennett and Mr. Brock, and with few exceptions, I find that these are the same comments that came up when JTPA was initially implemented, and I am still hearing them. And I know in our SDA that the various agencies that we would have cooperated and coordinated with have not beaten a path to our door in the past 2½ years. If there is an impetus that needs to come, it needs to come from the private sector and the local level, and I think you need this same thrust on the national level.

The proposed board should have the broad authority to act on education and training matters. Advisory boards with no authority are generally impotent. The previous CETA had several of those advisory boards and the resulting failures were evident.

Our Private Industry Council did not want to be an advisory group. We took a strong leadership role, and the local elected officials viewed us as a threat to their turf, also. But our performance now shows we just wanted to get the job done effectively and efficiently, and we did it.

You have before you an opportunity to create a lean and efficient machine. In previous correspondence with Renee, I indicated that I do not want a salary to serve; I do not get one now. You asked us to volunteer on the local level, and we did, and I will do the same thing on a national level. Finally, as far as I am concerned, the JTPA legislation is one of the most significant to come out of the Congress.

The opportunity to actually involve myself in correcting the abyssmal failures of the CETA Program was a challenge unthought of. We often sit around and say what we can do, or how government should run, but when do we ever have the opportunity to walk in off the street and actually do it?

I spend considerable time on a weekly basis, and I want to be involved, not only because I am helping those who need it most, but also, I have actual control of my tax dollars. This is by choice. If I am blowing a horn, gentlemen, I am blowing yours. You as a Congress passed the JTPA Act and have taken a significant step in the effective use of tax dollars. Let us improve on it.

Thank you.

Senator QUAYLE. Thank you very much, Mr. Burtnett.

The next witness is Tony Carnevale, who is the chief economist and vice president of the American Society for Training and Development in Alexandria.

Mr. Carnevale, welcome.

Mr. CARNEVALE. Mr. Chairman, thank you for asking us here today.

I represent some 50,000 trainers and human resource developers and employer institutions across the United States and throughout most of the different kinds of industries and service providers in the American economy.

Our interest in this bill is an optimistic one. We are the consumers of the products of the vocational education system and the various other public and not-for-profit education and training institutions across the country.

Our view of this bill is essentially that it is an optimistic and a prosperous step forward from a current situation that is mired in a general lack of coordination; a general crazy quilt of quality among providers across the United States with very little cross-institutional coordination or dissemination of the best practices. It is a system that looks disorganized and inefficient to employers by and large, and one which needs more intermediary kinds of institutions, both nationally and in States and localities, to help employers sort among the various people who come to them at entry level and various people who come to them as dislocated employees seeking work. And so while we understand that there are a variety of technical complications with this bill, we would urge the committee to consider the bill seriously, because in our view, there are always a thousand reasons why one should not seriously consider legislation, and usually a few very good reasons, larger reasons, why one should. And we feel that this bill is a bill of that kind.

There are a couple of other reasons, I think, which are important for consideration here. One is that in the future, it seems to me that training per se may become a more important issue than it has been at the Federal level and in States and localities, largely for reasons of demography, a decline in the size of the 16- to 24-year-old age cohort, and for reasons of price stability—that is, the apparent lack of inflation in the American economy and the prospect that there will be very little inflation in the foreseeable future—that the unemployment rate will go down at some point over the next 6 or 7 or 8 years below 6 percent. In that case, most employers in the United States will be facing a situation that they have not faced since 1968 and 1969, which is entry-level scarcity. At that point, some system for sorting out among those who offer themselves for entry-level employment will be critical, both at State and local levels, and it seems to me that some sort of a Federal institution, with strong employer representation, can be of great help in sorting out among the various suppliers and providers of educated and trained personnel.

A second difficulty, I think, is that if we do come to a situation in the United States for the first time since the late sixties of a genuine labor scarcity, at that point in time the quality of the entry-level labor pool will be seriously disadvantaged. That is, most of the people who have had little need to hire or reason to hire over the past 10 to 15 years because of labor surplus will be the only available hires at that point in time. Those people have very substantial human capital deficiencies because of relatively low levels of education and training investment heretofore and at that point in time will need institutions both to remediate that population

and to help employers sort out among them to take and hire the best ones first. As a result of Federal legislation and Federal court decisions, it is very difficult at this point in time for employers to sort among the traditional clientele of public and not-for-profit training and education programs.

So in conclusion, while I think that there are a variety of reasons why a bill like this creates complications and disputes among institutions, I think there are a few very large and powerful reasons why we probably ought to enact a bill of this sort immediately and a few and very important reasons why we had better enact a bill of this sort sometime in the next several years if we are going to deal with what may be a very substantial difficulty in the hiring and training of entry-level personnel.

Senator QUAYLE. Thank you very much.

Next, Ms. Henrietta Dabney, Director of Research, Amalgamated Clothing and Textile Workers Union, from New York.

Ms. Dabney?

Ms. DABNEY. Thank you, Senator Quayle.

I am appearing here today on behalf of Jack Sheinkman, the Secretary-Treasurer of the Amalgamated Clothing and Textile Workers Union. The interest of our Union in the type of legislation set forth in S.1990 flows first from the fact that far too many of our members have become eligible for displaced worker training. Whether you look at those who work in male apparel or in textiles or in headwear or in footwear, they have all been heavily impacted, as have a number of manufacturing industries in this country, by imports, by the recession. Our membership has slipped from 1976, when it was over 500,000, to less than 350,000 now.

So we have a very strong interest in seeing that the retraining possibilities that are available to people are the best possible and that the structure for serving them works in the best possible fashion.

Over the last few years, Jack Sheinkman, who is a member of the UNA-USA Economic Policy Council, has been involved in the preparation of a report that looks at the questions of the jobs challenges posed by the future. The policy panel on which he served first made an assessment of what had happened as a result of domestic and international shifts and the impact that these had on the domestic labor market. Second, they made targeted recommendations for what could be done to ease some of the transitions.

He and other members of the panel were very delighted to hear that Senator Quayle had seen the book, been impressed by it, would like to hear from members of the panel on S. 1990.

Our first reaction to S.1990 is that anything that serves to coordinate the structure at the national level is all to the better. As JTPA is now, there has been less cnsultation with unions than there was under CETA. Moreover, what consultation there has been has occurred after programs have been funded rather than before; procedurally, that is all wrong. More national involment would add an important dimension. ACTWU was part of a national training and research program administered jointly by representatives of the tailored clothing industry and ACTWU. The fact that it was a national program meant that standards could be imposed on the on-the-job training offered by employers. That just would not

have been possible in a local program. If meant that trainees could be guaranteed, for example, that they would earn more than the Federal minimum wage, and that the job for which they were training was not one that was going to peter out with the end of that season, but instead offered long-term employment.

In terms of the structure proposed by 1990, I think Senator Quayle is very well aware that the knee-jerk reaction of the labor movement to a proposal that would diminish the authority of the Secretary of Labor is not going to be very favorable; it is in the Labor Department that the labor movement has found the most understanding for its programs and positions. We do not really want to enter that debate.

The real importance of this hearing is that it has opened the door to a much broader discussion of matters which impinge not only on training, but on other concerns of Federal labor policy as well. There is just no one institution at the present time which can deal with matters of national labor policy in their entirety. While the committees of the Senate and the House come close, too many related pieces are fed off elsewhere.

The lead recommendation of the UNA/USA Economic Policy Council was that a national institution be established that focuses on the human resource implications of economic, social and other policy and job-related developments.

The EPC was thinking of a highly independent organization, encompassing government, leaders from business, labor, universities and non-profit groups. The government commitment to participating in the activities of this body would be very important and would undoubtedly require a coordinating structure of its own. The UNA/USA proposal is very relevant to, but goes for beyond Senate 1990. The need in this country is for institutions at several levels, within government and outside of government, to deal with the questions of labor market policy that certainly will be plaguing this country into the next decade.

I want to thank you and the Committee.

Senator QUAYLE. Thank you very much.

[The Prepared statement of Ms. Dabney follows:]

STATEMENT OF

HENRIETTA DABNEY
DIRECTOR OF RESEARCH, ACIWU

ON BEHALF OF JACK SHEINKMAN
SECRETARY-TREASURER, ACIWU

BEFORE THE
SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY
SENATE COMMITTEE ON LABOR AND HUMAN RESOURCES

ON

S. 1990 - THE EDUCATIONAL AND TRAINING PARTNERSHIP ACT

FEBRUARY 25, 1986

Amalgamated Clothing and Textile Workers Union
15 Union Square
New York, New York 10003

My name is Henrietta Dabney and I am the Director of Research for the Amalgamated Clothing and Textile Workers Union. I am appearing on behalf of Jack Sheinkman, Secretary-Treasurer of the Amalgamated, who regrets that he is not able to be here today.

In 1984, the ACTWU membership was about 348,000. In 1976, our membership exceeded 500,000. The number of jobs in the industries which employ our members have dwindled appreciably - whether in male apparel, or in textiles, or in shoes, or in headwear. Like other sectors of the U.S. apparel/textile complex, all of the ACTWU industries have been heavily impacted by imports. And, as in other U.S. industries similarly affected, firms have wrestled with the problems of retaining market share, restoring their ability to compete, adapting to new technologies, and easing the burden that change and job loss have placed on employees and the communities in which they work.

For the last two years, as a member of the Economic Policy Council of the United Nations Association of the U.S.A., Jack Sheinkman served on a Council panel of business executives, labor leaders, economists, and international experts that undertook first, to assess the impact of domestic and international shifts on the U.S. labor market and, secondly, to develop targeted measures to ease the jobs-related problems that, if unresolved, threaten the standard of living of many Americans and undermine the competitiveness of U.S. business at home and abroad. In January, Jack Sheinkman and other members of the Economic Policy Council

were very pleased to learn that the panel's report, The Jobs Challenge: Pressures and Possibilities, had received the favorable attention of Senator Quayle and that he would be interested in receiving their comments on the proposed Education and Training Partnership Act.

The administrative reforms effected in federal education and training programs over the past four years had important goals: to achieve greater coordination of activities at the state and local government level, and to significantly involve private sector employers and unions in federal education and training programs. These hearings provide a welcome opportunity to assess how well these reforms have achieved their goals. In the experience of ACTWU, I would have to say that there is often less consultation than there was in the past. Under Title III of the Job Training Partnership Act, the required consultation with labor organizations on employment and training assistance for dislocated workers has occurred after projects are funded; it would be in the best interests of all parties if such consultation were required prior to submission of a proposal for funding.

From the perspective of ACTWU, which was a participant for several years along with the Clothing Manufacturers of the USA in a CETA funded national project known as Joint Job Training & Research, Inc., the administrative controls imposed at the national level were essential to assuring that the jobs funded for training would (1) pay more than the

federal minimum wage and (2) offer long-term employment to the trainee. Such desirable controls are considerably more difficult to impose at the local level.

In the light of this history, ACTWU heartily approves of the concept of greater coordination of federal employment and training activities at the national level. I do, however, have reservations about the coordinating structure proposed by S. 1990. Historically, as I am sure you are well aware, the labor movement has found that among the executive agencies of government, it is the Department of Labor that has been the most receptive and responsive to its positions, and our initial reaction to any proposal that diminishes the authority of the Secretary of Labor is negative.

Additionally, so long as the federal budget outlays on training and employment remain at their present depressed levels, restructuring may be irrelevant. Calculating outlays in 1986 dollars, the spending for all employment and training programs for fiscal 1987 is estimated at $4.3 million compared to $16.4 million in 1979. Significantly greater amounts are required to fund training appropriately in the inner cities, or to extend service beyond those now classed as the most "job-ready." The cutbacks envisioned in funding for the Job Corps decimates one of the most effective programs for serving the hard-core youth unemployed. No funds are provided for the income support of persons during the period of their training. Overall, the current programs are inadequate to provide a sensitive and credible response to structural unemployment.

Looking ahead, however, these hearings currently provide the only forum for discussion of how this nation should address the development of a coordinated and full-scale federal labor market policy. The lead recommendation made by the Economic Policy Council was:

> "A permanent national institution should be created that focuses on the human resource implications of economic, social and other policy and job-related developments. This institution would involve leaders from business, labor, government, universities and non-profit groups in the effort to integrate strategic human resource considerations into the policymaking process and improve the implementation of recommendations. Its purpose would be to temper job dislocations, ease labor market adjustments and enhance U.S. competitiveness. It would not duplicate the work of other policy oriented organizations, but would serve as a catalyst for change by providing a neutral forum for leaders from different sectors to build coalitions, integrate recommendations and marshall support for a preferred course action. The institute would undertake research, serve as an information clearinghouse and consult closely with those involved in policy formulation and program implementation.
>
> "The strategic human resource institute could take many different forms. It should initially be formed as a private organization, which might include some public officials. The institute should provide a network for the many different

> policy groups dealing with human resource issues; release a periodic human resource impact statement that would examine the human resource implications of key U.S. economic policies; and analyze the effects that the performance of our human resources have on U.S. economic policies. Whatever its format, this institution should be situated so that it can choose its own agenda after close consultation with the major players and speak with a strong independent voice."

The Economic Policy Council had no one structure model in mind. In considering models through which government could address the broad purposes described, I urge the committee to examine a number of alternatives. Dividing respoonsibility among a group of executive agencies may not be the answer. Instead, responsibility might be lodged with Congress, with the Office of Technology Assessment as a model. Another model is that of the independent agency, such as the original Reconstruction Finance Corporation.

In my opinion, this committee is addressing itself to some of the most important questions of this and the next decade. The agenda potential is broad, ranging widely over issues involving taxes and trade, education and health, civil rights and workers' rights. I congratulate Senator Quayle and Senator Kennedy for their initiative in sponsoring The Job Training and Partnership Act and providing this much-needed forum. And, I thank all the members of this subcommittee for this opportunity to address them.

Senator QUAYLE. Next, someone who is no stranger to this Committee, Bill Kolberg, who is the President of the National Alliance for Business. Welcome back, Mr. Kolberg.

Mr. KOLBERG. Thank you, Mr. Chairman.

It is good to be doing business with you and this Committee again on this set of issues.

My written statement that I have filed with the Committee is concurred in by the Chamber of Commerce, the NAM, and the CED. Whether they will concur with what I say orally, I am not quite sure.

You started off this hearing this morning, Mr. Chairman, by saying we can do better than the status quo, and we enthusiastically agree with you. We can do better than we are doing in the status quo, and your filing of this bill and holding the hearings, I think, brings this issue to the fore again.

As you well remember, 3½, 4 years ago, we talked about and debated this same issue. I think at that time, we decided that even though Western European experience seems to indicate that an integrated public-private partnership system from top to bottom is a good idea, we ought to start at the bottom and see what happens.

So we view this frankly as unfinished business, and we welcome this opportunity to again engage in a dialog with you and other members of your committee on how we can best move to a public-private partnership at the Federal level.

We see two basic objectives, quite clear. One, if it is a good idea to get the private sector involved at other levels, clearly it could be a good idea to do that at the Federal level. We have now had 3½ years of experience at the local and at the State level. I would certainly associate myself with what Mr. Burtnett has said this morning. He and about 10,000 other private sector volunteers out there, I think have proven to my satisfaction and I hope to the committee's, that the Job Training Partnership Act embodied some good concepts, that it makes bottom line difference to involve the private sector volunteers in this kind of business, that they are beginning to do a good job in drawing together all the various aspects of an integrated human resource system.

So I think it is now time, therefore, with the evidence in hand over the last 3½ years, to again address how can we effectively involve private sector individuals, both labor and employers, at the national level to do a better job.

Second, your bill goes toward trying to better integrate this system. And I am sure you recognize that you stop short of a number of other Federal programs that I think would benefit from some broader view. The unemployment insurance system is certainly tied into this very closely. The welfare system is tied in Vocational rehabilitation. It is very difficult to take even three programs, as important as they are, and organize around integration of them.

I think our view is that a public-private partnership could begin to make some real progress in putting together a strategy around this whole system of human resource development that we have at the Federal level.

My written statement has some comments about your particular proposal. I think our view, Mr. Chairman, is we are ready to go to

work with you. We see some problems with yours, but we are not sure we have any better ideas. But if we all work together, I am sure that we can come up with something. And I agree with my colleagues, I think it is important to move ahead now with trying to design a system, try it out, and see if we cannot do a better job at the Federal level in a public-private partnership.

Thank you.

Senator QUAYLE. Thank you very much, Mr. Kolberg.

[The prepared statement of Mr. Kolberg follows:]

Testimony

of the

National Alliance of Business

before the

Subcommittee on Employment and Productivity

Committee on Labor and Human Resources

United States Senate

On the Education and Training Partnership Act (S.1990)

February 25, 1986

Mr. Chairman, thank you for the invitation to appear before this Subcommittee to express the views of the National Alliance of Business (NAB) on the establishment of an independent agency to administer the Job Training Partnership Act, the Wagner-Peyser Act and the Carl D. Perkins Vocational Education Act.

My name is William H. Kolberg. I am President and Chief Executive Officer of the National Alliance of Business.

The National Alliance of Business is an independent, business-led, non-profit organization with over seventeen years of experience helping poor, unemployed youth and adults obtain productive jobs in business and industry. Each Administration since NAB's founding in

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1968 has turned to the Alliance to continue its lead in developing and maintaining the business community's commitment to resolving unemployment by building working partnerships among government, business, labor, education and community groups to create training and job opportunities for the jobless.

The Alliance directs much of its resources to encouraging employers to be informed and active participants in education and training programs authorized by the Job Training Partnership Act and the Carl D. Perkins Vocational Education Act. We believe that employers (in addition to students or clients) gain a great deal when they contribute to the success of these programs. Improved outcomes for job training and education programs have significant economic and social benefits for the environment in which a business operates and even more important, directly affect business's bottom line by reducing costs they must bear for remediation and training and by providing business with more productive workers. These education and training systems affect America's competitiveness, and it is important that both the public and private sectors use resources for these activities as efficiently and effectively as possible.

The natural link between vocational education, job training, job placement, and the labor market has been increasingly recognized in recent federal and state policymaking and local program

implementation. As a means of making job training for the disadvantaged and vocational education more responsive to the needs of the labor market, Congress has passed legislation that put in place stronger terms for state and local public/private partnerships. The governance structures for job training and vocational education were changed to allow a more significant role for the private sector in these programs' decision making. Further, the Perkins Act and JTPA contain a broad range of suggested activities that are premised on interaction with employers.

However, Congress has stopped short of addressing if and how such key principles underlying public/private partnership and coordination between related program should pertain to federal leadership. We appreciate your leadership on this issue, Mr. Chairman. It is appropriate that this matter be considered. The Alliance believes that a valid argument can be made for a national public/private partnership linking education and training (and we would include other human resources programs that affect labor market policy). We see the value of such an entity in the role it can play in reviewing our training and education policies and in recommending coherent, comprehensive policies for the future that can guide the design and operation of specific federal programs. We are less concerned that the entity actually operate programs and question whether it should take over the operation of existing programs.

There are substantive concerns that must be resolved in implementing such an entity and, obviously, legitimate vested interests. But the dialogue that will accompany action on this new proposal is an excellent opportunity for concerned parties to debate the federal role in human resource development, and the relationship between programs that have similar purposes but separate goals, administrative structures and clientele. Further, as this proposal is discussed, we should look closely at how existing structures can bring about more effective human resource policy and coordination.

A review of experiences with private sector involvement in public education and training helps illustrate why we believe the concept of a federal partnership is a good one.

Opening up public programs to the private sector is a developing process that is not without its complications, but the potential return is so great that even in programs where public/private partnerships are not required, there is a growing trend to put them in place. This is particularly true in the area of business-education partnerships. Although these forms of collaboration are not implemented on a systematic basis and may be more difficult to evaluate due to their informal and diverse nature, they are now a significant force within the mainstream education community.

State and local public/private job training partnerships are still in formative stages. However, initial evidence on their role in local programs is positive. The Alliance is most familiar with the experience of the private industry council -- the local partnership created under JTPA.

As we have in the past two years, we are surveying PICs and service delivery areas to present information on the status of the job training system. The primary focus of this year's survey was to determine the level, scope and impact of business involvement in JTPA. It was hoped that the survey would provide information on whether the concept of partnership between the public and private sectors, which is unique under JTPA and still being tested, is in fact working.

Thus, a series of questions were directed to both PIC chairs, as representatives of the private sector, and the SDA administrators, as public sector representatives, to determine: the level of satisfaction with the program among business members; trends in the level of business member involvement; and the impact of business involvement on program operations and outcomes.

While we are still analyzing the data (a report will be available in April), we have found that business members are generally satisfied

with their role and level of responsibility in the program and that public officials are in turn pleased with business's participation. Business membership on the PIC shows relatively low turnover, and the business members have a high and sustained level of involvement in PIC activities. Most of the respondents -- both SDA administrators and PIC chairs -- believe that business involvement has a positive impact on both program planning and operations and participant outcomes.

Generally favorable assessments of this local public/private partnership are present in other evaluations of JTPA including "An Independent Sector Assessment of the Job Training Partnership Act" (Grinker, Walker & Associates) and Westat's final report to the Department of Labor on JTPA.

While we have less information on the actual impact of State Job Training Coordinating Councils and State Vocational Education Councils, we believe these entities are encouraging new levels of private sector input in state decision making for job training and vocational education and are beginning to bring about increased coordination among training, education and other pertinent programs.

The initial positive results of local public/private partnerships are a good starting point for a discussion of whether a similar structure should be put in place at the federal level.

The Alliance supports the concept of a federal public/private partnership linking labor market related programs for several reasons:

First, such a partnership should be a significant element in promoting more coherent national policies in human resource development by helping to define those policies and by delineating appropriate federal, state and local roles as well as public and private sector responsibilities for carrying out those policies. Education and training have always been interrelated, but the importance of closer integration is becoming more pronounced.

As we continue in an era marked by fast-paced labor market changes due to technology and global economics, education, training and retraining become a life-long process that must be fine-tuned to meet labor market needs, and it is essential to develop a proactive strategy that establishes a framework for the appropriate roles of the various levels of government in the arena of human capital.

Despite the merits of the many programs designed to better match labor with employment opportunities, too often these initiatives work in isolation. Unfortunately, severe budget constraints can exacerbate the problem with decisions on the future of such programs as vocational education and job training driven by budget levels. In the absence of any broad-based federal commitment, it may be only too easy to view many human resource development programs as discrete initiatives that can be removed from federal responsibility without a broad strategy for where responsibilities should lie. All of us who are committed to maximizing human potential will need to better articulate the roles and values of a wide range of programs that are intrinsic to linking individual achievement with a productive, competitive economy.

We believe a national partnership will be an important tool in that undertaking.

Second, we believe linking vocational education, job training and placement at the national level will lead to more effective communication and interaction between these services at the local level.

The Job Training Partnership Act and the Carl D. Perkins Vocational Education Act contain numerous provisions to enhance the working relationship of related programs at the state and local

levels. Coordination at the national level is only marginally addressed. Currently, coordination between job training, vocational education, labor exchange, unemployment insurance, and economic development depend a great deal on the effectiveness of state leadership and the personal and institutional dynamics of local working relationships. Although we are witnessing increased cooperation and communication between human service programs, coordination is very much dependent on variables that differ from state to state and community to community. Programs such as Massachusetts' Employment and Training Choices, California's GAIN, and Illinois' Project Chance recognize that numerous services must be brought together to provide the full range of support that some individuals need to enter into or remain in the workforce.

Federal practices often do not recognize this situation and it is not unusual for separate programs with positive intentions to work at cross purposes or to undermine each other. For instance, we have long struggled with how to encourage unemployment insurance recipients to engage in training when this is the most appropriate option. However, in many states recipients can be penalized for participating in a training program that may make them self-sufficient when their UI benefits expire.

It is likely that each state and community could share with this Subcommittee examples of lost opportunities and wasted funds because of conflicting federal policies and regulations.

The Alliance believes that a federal education and training partnership could offset the inevitable idiosyncrasies that arise from federal policies that are enacted in response to different needs, at different points in time, and are implemented by different agencies.

Third, involving the private sector with government can enrich program policies and lead to broader business support and involvement in public programs. Specifically in terms of job training, vocational education and the employment service, business can play a vital role in ensuring that these programs are relevant to the needs of the labor market. If these programs do not respond to the current status of the workforce and workplace, their very worthiness can be questioned. A strong public/private partnership is an important tool for encouraging effective policies and programs that mesh human service needs with that of the economy. We believe there is a need for greater public/private collaboration at the federal level on issues relating to education and training.

Ultimately, the Congress must answer whether the concepts that they applied at the state and local level should also be applied to

education and training at the federal level. Our answer is yes, but the implementation of these principles is complex, and valid issues will need to be addressed.

A federal public/private partnership linking education and training will be breaking new ground. Such a concept does not fully have a precedent in state and local models. Nor do we have a complete understanding, at this time, of the accounting and reporting relationships that would be incurred by establishing a new authority to govern programs now within the jurisdictions of the Departments of Education and Labor.

Perhaps the most sensitive issue in this envisioned partnership concerns vocational education. Although vocational education has overlapping purposes, clientele and services with other labor market- oriented programs, its essential goals at the secondary level are more closely related to basic education. It will be important that this new authority not undermine the dual nature of vocational education: to provide students with both basic academic skills and occupational training.

Despite the inevitable concerns that will be raised by such a partnership, we believe that ultimately the concept will enhance the ability of vocational education, job training and the employment services (and hopefully other related programs) to be more

effective providers in an era of escalating demands on our public programs.

S. 1990 is a valuable first step in this direction. At this stage of our direction on a federal partnership, we are not wedded to a particular model for implementation and would recommend further consideration be given to the following features of this proposal:

(1) More specifically and clearly define the primary roles and responsibilities of the Partnership. The construction of the Partnership in S. 1990 is remarkably open ended. We recommend that the Subcommittee consider defining the Partnership more specifically, placing certain responsibilities within its parameters. We believe that it would be most appropriate for the Partnership to engage in policy development, planning, program oversight and monitoring. We do not believe a competing agency should be established to operate programs but that the Partnership should recommend national policies, looking at programs and systems in a comprehensive way. The Partnership should have broad research and study powers. It should also have the power to review the implementation of policies to determine their effectiveness or further need for change.

Under certain circumstances, it may be advisable for the Partnership to operate some programs, and we would endorse its having that power but would not normally expect the Partnership to conduct program operations. These would be lodged in the appropriate agencies.

(2) Broaden the scope of the Partnership to include more functions under its purview. A more integrated delivery of labor market services should also address the role of economic development, training for welfare recipients, adult education, older worker training and vocational rehabilitation. All of these programs have frequent and overlapping relationships with vocational education, job training and the employment service. A broad-based Partnership would be well positioned to provide national leadership on how different programs can be coordinated so that resources can be best distributed among them. For example, the Partnership should be able to recommend policies for training programs to reduce welfare dependency or to better link training with unemployment insurance benefits.

(3) Enlarge the membership of the Board of Directors. In broadening the scope of the Partnership, its composition should also be expanded. Because of his role in economic development, the Secretary of Housing and Urban

Development should be added. Including HUD will help integrate economic development and job creation with training and education programs.

Additional business people should be added to provide broader business participation. Three employers will not be able to represent the cross-section of interests in the business community. Members from other sectors might also be considered.

The National Alliance of Business looks forward to a continued dialogue over the opportunities and implications for a national education and training partnership. We need to better use our limited federal resources at this time when greater demands are being placed on all of us to keep pace with a rapidly changing society. Further discussion on this issue will help all of us better understand our mutual and separate responsibilities in the coming decade. We welcome any further exchange of views on this proposal with members of the Committee, the Administration, educators, business organizations and all other concerned parties.

Thank you.

Senator QUAYLE. The final witness of this first panel is Mr. Mark Roberts, an economist with the Department of Legislation at the AFL–CIO.

Mr. Roberts, welcome back.

Mr. ROBERTS. Thank you, Mr. Chairman.

My name is Marley Roberts. I am an AFL–CIO economist. I appreciate this opportunity to present the views of the AFL–CIO on S. 1990, the proposed Education and Training Partnership Act.

We recognize the good intentions and the positive purposes that motivate the sponsors of this bill. Mowever, we believe it is the wrong solution to the problem it is supposed to solve, and therefore, we oppose S.1990.

We recognize that there are no easy answers to this problem of achieving coordination. If there were any one single approach that I would offer, it is to encourage your subcommittee to pursue the subject of national performance standards for the JTPA to assure a more uniform approach across the country in the administration of JTPA and to provide some basis for making judgments on a State-by-State basis.

The AFL–CIO has a consistent record in support of a Federal leadership role in promoting vocational educationand promoting job training and retraining. Employment training and effective labor market services and vocational education are national problems. They are interrelated problems and they require national solutions.

Of course, under JTPA, many responsibilities formerly carried out by the Federal Government were transferred in a decentralized process to State and local governments. Coordination of JTPA, employment service, and State and local education activities is supposed to be achieved through the State Job Training Coordination Councils and the Private Industry Councils. Both councils are designed to include representatives of local education agencies and representatives of the employment service, as well as representatives of organized labor. Actual practice 8oes not always respond to the legal requirement.

The Carl Perkins Vocational Education Act of 1984 contains a number of provisions requiring coordination between vocational education and JTPA. The 1984 law calls for closer cooperation by local vocational education authorities with the State Job Training Coordinating Councils, a requirement that State Vocational Education Boards make available to each Private Industry Council a description of all vocational education programs and their service delivery areas, the requirement that State Vocational Education Boards biennially assess how well vocational education programs are coordinating with JTPA programs.

This brief review demonstrates that there is already coordination written into the laws relating to job training, the employment service and vocational education. So we are saying that we just do not need the kind of structure proposed in S.1990 to improve coordination. In fact, we see that adding another government agency would add more confusion than clarity and coordination.

I repeat what I said at the outset, Mr. Chairman. We appreciate the purposes that lie behind this proposal, and we are eager and willing to work with you and the subcommittee in moving toward a

system that does assure greater coordination. As I said, I think the biggest single step might well be to put more pressure on the Labor Department to include and administer effectively national performance standards under JTPA.

Thank you. That completes my statement.

Senator QUAYLE. Thank you, Mr. Roberts.

[The prepared statement of Mr. Roberts follows:].

STATEMENT BY MARKLEY ROBERTS
ECONOMIST, ECONOMIC RESEARCH DEPARTMENT
AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS
TO THE SENATE SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY
ON S. 1990, PROPOSED EDUCATION AND TRAINING ACT

FEBRUARY 25, 1986

Mr. Chairman, I appreciate this opportunity to present the views of the AFL-CIO on S.1990, the proposed Education and Training Partnership Act. We recognize the good intentions and the positive purposes that motivate the sponsors of this bill. However, we believe it is the wrong solution to the problem it is supposed to solve, and therefore we oppose S. 1990.

As a preface to my remarks on S. 1990, let me remind you that the AFL-CIO has a long-standing position in support of education and training as key components of preparation for employment. Just as we have a consistent record in support of a federal leadership role in helping this nation move faster toward full employment, so also we have a consistent record in support of a federal leadership role in promoting vocational education and in promoting job training and retraining.

Employment and training and effective labor-market services and vocational education are national problems. They are interrelated problems and they require national solutions.

Of course, under the Job Training Partnership Act of 1982 (JTPA), many responsibilities formerly carried out by the federal government were transferred to state and local governments. Coordination of JTPA, Employment Service and state and local educational activities is supposed to be achieved through the State Job Training Coordinating Councils and the Private Industry Councils. Both Councils are designed to include representatives of local education agencies and representatives of the Employment Service as well as representatives of organized labor. However, actual practice does not always correspond to the legal requirement.

The Carl Perkins Vocational Education Act of 1984 contains a number of provisions requiring coordination between vocational education and JTPA programs. Thus, the 1984

vocational education law calls for closer cooperation by local vocational education authorities with the State Job Training Coordinating Councils, a requirement that state vocational education boards make available to each Private Industry Council a description of all vocational education programs in their service delivery area, and a requirement that state vocational education boards biannually assess how well vocational education programs are coordinating with JTPA programs.

This review demonstrates that there is already coordination written into the laws relating to job training, the employment service and vocational education. We simply don't need the kind of structure proposed in S. 1990 to improve coordination. In fact, adding another government agency would add more confusion rather than clarity and coordination.

I do not want to imply that the AFL-CIO is happy about the way job training and the Employment Service and vocational education are now operating. We believe all jobless workers should have the opportunity for training in skills that lead directly to jobs. There should be better job guidance, counseling and placement through the Employment Service as well as better matching of workers and jobs.

The Job Training Partnership Act, with its lack of income support during training, its decentralized and business-dominated structure and its low funding is totally inadequate to the nation's employment and training needs. Job training programs for displaced workers and youths should be greatly expanded. Training allowances and income support should be available for workers in training programs, and unions should be allowed to review and comment on all dislocated worker programs before decisions are made on which dislocated worker projects will be funded.

Vocational education should be getting adequate resources from the federal government. At present, nine out of ten every ten dollars going into vocational education come from state and local funding. Additional federal funds are needed for training and retraining adults entering or already in the labor market and those who are victims of structural unemployment and industrial dislocation. There is an urgent need to equip adult

workers with competencies that match the requirements of those sectors of the American economy that are particularly affected by job-destroying import competition and by rapid technological change.

Mr. Chairman, I appreciate this opportunity to present the views of the AFL-CIO. Thank you.

Senator QUAYLE. Senator Simon and I are former House Members, and I am sure we will not find it too difficult if we impose a 5-minute rule upon ourselves today as we ask questions since we have a lot of panel members.

Senator SIMON. Surely.

Senator QUAYLE. Mr. Roberts, we are in fact addressing those national performance standards in JTPA technical amendments that we have introduced. I do not know if the AFL-CIO has had a chance to look at that. We would be glad to send them over to you. We think it certainly might be something that you might support.

Mr. ROBERTS. We would be very happy to work with you on that.

Senator QUAYLE. It might be something that you could support us on--maybe not--but we do address that problem.

Today is a different problem rather than JTPA performance standards. What we are trying to do is to figure out how we can get a better system in the area of employment and training and vocational education.

I have just a couple of quick questions to which I would like to get the input of the panel.

First, do you believe it would be advantageous for us to have the private sector input at the Federal level in job training and education programs? Do you think that this by and large isapositive development? We do it at the local level with the PIC Council, we encourage it at the State level. How about the Federal level, which we do not have? We have advisory panels every once in a while--but I am talking about sincere, legitimate input from the private sector. Is this a good idea or a bad idea?

Mr. Burtnett?

Mr. BURTNETT. Basically, I think it is an excellent idea. Just from the standpoint of if you want us to do it at the local level, my gosh, you have got to include us on the national level. That is only commonsense. We just have to have some kind of input into this thing.

You cannot keep handing me a round peg to drive into a square hole; I am going to walk away from this thing after so long. You have taught me some measure of impatience.

Senator QUAYLE. Mr. Carnevale?

Mr. CARNEVALE. I would say yes. I think it is a fairly obvious point that the coordination would be advantageous. Keep in mind that the largest job training system in the United States is the private sector. It spends $30 billion annually on formalized training alone and another $180 billion alone on informal OJT; a total of 210, which is roughly equivalent to the whole American education system. And to keep that partner out of the system, I think, is folly.

Senator QUAYLE. Ms. Dabney?

Ms. DABNEY. I would say yes. Involvement of the private sector at the national level would be very important. I think it should take two forms: first, in terms of an overall look at the programs; secondly, there is a role for groups structured by industry sectors. Often, at the local level, you do not get the kind of industry-wide knowledge which, if pulled in at the national level, can make local programs more effective. Industry experts are better able to serv-

ing on national group, recognize when a proposal is a can of worms and when it is really going to work.

Senator QUAYLE. Mr. Kolberg?

Mr. KOLBERG. Mr. Chairman, as you know, there are all kinds of informal and advisory contact between the private sector and the Government in every area, certainly, the Labor Department and the Education Department.

So it is not whether it is a good idea to get that. It seems to me the question is the question that you faced in the Job Training Partnership Act: Is it a good idea to give this private sector input some importance by writing into the law some power. And it seems to me that is the question, and I would answer that as yes.

Senator QUAYLE. Mr. Roberts?

Mr. ROBERTS. I think it is a good idea, but you do not need to do that because there is already a good deal of communication. I think of the time when Bill Kolberg was Assistant Secretary of Labor for Employment and Training, and he operated very effectively to get the input from the labor people, and I assume he was getting input from the business people.

I guess what I am saying is that you do not need to institutionalize the procedure through some formality of the law, because if the good intentions and the will to cooperate and coordinate are there, the structure does not make very much difference. If the will and the determination is not there to have a structure is not going to achieve something when the will and determination are lacking.

So I guess if your question is should we institutionalize in the law the private sector input, I would say it is not necessary, it would not achieve anything.

Senator QUAYLE. Would you disagree that we have achieved any private sector participation at the local level and increased JTPA's effectiveness because we have had the private sector input?

Mr. ROBERTS. Well, it has achieved something, but I hasten to add that the labor people feel that their opportunities for input are very limited in these Private Industry Councils, because the Private Industry Councils, first of all, have a majority of business representatives, and then there are a whole bunch of additional required representation of various groups, so that our opportunities for input through the Private Industry Councils, in fact, turn out to be less effective than we would hope.

So I am not saying that it was a bad idea to have the Private Industry Councils with all this representation. What I am saying is that the way it operates, you have a majority of business representatives and presumably---I am sure it is not always going to be a monolithic position of the business representatives.

But the result is that all these other groups end up without really strong and effective representation. They have to be taken into account, and I think that is good, but the structure of providing opportunity for so much private input and input from all these other groups, the education agencies, the employment service, community-based organizations, labor people--- the result is something less effective than we would wish.

Senator QUAYLE. Well, I would just say that we have had a number of hearings, and there have been a few points of interest and a few constructive suggestions how we can improve it, but by

and large, the JTPA program by both business and labor participation has been fairly universally hailed as a mucb improved system than what we had before. But there are always ways that we can improve it.

One final question, and I will yield to Senator Simon. Is there need for better coordination between job training and vocational education? Is there a need for better coordination?

Mr. ROBERTS. Yes.

Mr. KOLBERG. Yes.

Ms. DABNEY. Yes.

Mr. CARNEVALE. Yes.

Mr. BURTNETT. Yes.

Senator QUAYLE. Everybody agrees.

Are there any brilliant ideas on how we get that—very shortly—on how we get that better coordination? Obviously you can say that people have got to talk and all of these things, but beyond those requirments for coordination that have been written into every manpower bill going back to 1962, we talked about coordination and communication and all those good things that make the legislative initiative to put that in there. But if you have any ideas on how we can get that, I would be interested. If not, we will just sort of consider that everybody is for the idea of better coordination. We put one forward, S.1990, which many of you suggested is a good idea. We are open to other ideas on how we can improve on them.

I think Senator Pell the other day had a very constructive comment, that we ought to make sure that we have education taken care of on our Board more so than what we had. I consider that a very valid comment.

So I will leave the record with that, that we are all for this. We are still groping; at least, some are not completely sold on S.1990, but there is hope, and we will see where we can go from there.

Senator Simon?

Senator SIMON. Thank you, Mr. Chairman.

I thank the witnesseses, and unfortunately, I have to get to another subcommittee meeting.

But let me grope with the Chairman here for a moment. The five of you represent a very diverse background here. If you could just wave a magic wand and do anything you could to improve the program, what would you do?

Mr. Burtnett, I will start with you.

Mr. BURTNETT. I guess I will start by going 8ack to a comment you made earlier. We brought everybody into a room and just blueskyed it--voc ed, rehabilitation, Employment Security Division, everybody you could think of who was a service provider in our area. We just brought them all together in one room and made the same presentation you just gave. We said, "Suppose you have all the money in the world. What would you like to do?"

And we spend 3 hours together with ball bats, and basically work out some kind of plan over a five-year period of time and try to encompass all these ideals and ideas that we developed during this meeting. That is basically what I do now.

Mr. CARNEVALE. I think there is a fundamental problem in the structure of the Federal Government with regard to training as an issue per se, and that is the human resource development system

we have was created in the New Deal; it was made full-blown in the Great Society, and then at the State and local level, it was essentially fully funded by the baby boom.

Now we are in a situation where we are talking about educating and training adults. We are not talking about children so much anymore. And we are also not so much talking only about the disadvantated and dislocated anymore. We are talking about the training and retraining of the whole work force.

The difficulty we have is that our system is lodged in public and not-for-profit institutions and in departments whose clientele and whose constituency is the same and the same here on the Hill--the Education and Labor Committee and the Human Resources Committee.

The economic policy system is across the road, in the Finance and Ways and Means Committee.

I think if job training is to become a viable entity in terms of economic policy, it needs to be raised up above the current institutions that control it and given a broader base. And so I think that a proposal like this, however disturbing and disruptive it is, is a first step. One could build an institution of this sort and then let the rest of the world adjust around it. We could then begin to talk about our job training as an economic issue for the first time, I think, and involve a broader spectrum of institutions and policy leaders, including tax instruments and not only publicly run and appropriated programs.

Senator SIMON. And what kind of tax instruments?

Mr. CARNEVALE. Well, I am not sure. The classic tax instrument in this case. I suppose would be the one that is being talked about on the House side, and that is some sort of a tax subsidy that would put money in the hands of employers or employees. The employee proposal, the one that is getting the most attention, is the Individual Training Account [ITA]; the employer proposal is the classic tax credit for training in the workplace, the idea being you put the money in the hands of the client, the employee or the consumer, the customer, the employer, and let them buy the training from the supplier institutions wherever they are and whichever one is best and most efficient. It is an alternative to the way we have driven our human resource development system for some 30 years now.

I think it makes more sense from the perspective of competitiveness and from the perspective of economic adaptation in institutions that there are those that need to adapt, which is the employer institution.

Technological change and competitive change after all does not impact on the education system; it impacts on employers. And that is where we need the first line of defense in our training system.

I think a proposal like this can broaden the debate, certainly not to exclude the education or the public job training issue, but to include the competitive issues that I think are becoming more and more important as competitiveness becomes a serious issue in the American economy and as demography drives the American population out of public institutions and into the workplace.

Senator SIMON. Ms. Dabney?

Ms. DABNEY. Looking again at the "blue sky" arrangements we have been thinking about, I go back to the kind of national institution envisioned by the Economic Policy Council in terms of a body that is really going to look at labor market policy in its entirety and at all facets of it.

In terms of problems more closely related to this committee's work, I have been reviewing the recent report of the Office of Technology Assessment. I think it is an excellent report and covers a good deal of ground. Looking at the problems associated with structural unemployment, that tne OTA report points out that transition is more effective when you have advance notice of a plant closing. It means that planning for the persons who are to be displaced, how they are going to fit into the economy after the closing, can take place before they become displaced. Requiring advance notice of plant closings just makes very good sense. It is certainly a major issue that needs to be dealt with.

Senator SIMON. Mr. Kolberg?

Mr. KOLBERG. Senator Simon, those of us who have been in this business a while ought to be very humble about prescribing any silver bullets for you or anyone else very quickly.

Several comments. One, we now expect Governors to do the kind of thing we are talking about. We expect them to draw together all the various facets of a State government to work on welfare reform, or all the various facets of education or economic development. And I am encouraged by what I see the Governors doing. Now, why can't we expect that to happen without new legislation at the Federal level? It seems to me it is a matter of size and complexity. The Federal Government is so much larger and so much more complex in terms of dollars, people, problems that, although we have tried over the years, as you well know, to staff a domestic council in the White House and a variety of other aspects, so far I would say that has not worked very well.

Some of you will remember that in CETA a nd continued in the Job Training Partnership Act was the National Commission on Employment Policy. I suppose some of us naively thought that that might be the body that would provide this overall kind of planning and leadership in human resources and job training. It seems to me that that has not happened again, because it is advisory, it is easy to ignore, the problems are complicated, the turf is very important to every one of the Federal officials.

It leads me then to say that I am now willing in my own silver bullet approach to go for something similar to what Senator Quayle has proposed. It seems to me it ought to be an overall strategic planning and oversight body than it should be an operational body. It seems to me it needs more people on it from the private sector than the three or four that Senator Quayle has talked about.

I would go on the side of strategic planning and oversight, but with some real involvement of other sectors in our society beyond those Federal officials who have the responsibility for operating. That might not work, either. But I think I am saying we have come to the stage where the problems are severe enough to try something new and different, and I would go something along that line.

Senator SIMON. Mr. Roberts?

Mr. ROBERTS. Senator, your question implied open blue sky with an answer, and with that, I would say the increasing of funds for training and vocational education might be increased by a factor of five as a start.

I think the issue is a matter of resources as well as cooperation and consensus on how to do things. In other words, we are operating in a very, very restricted resource climate, and I think we should recognize that if we increase the resources, we would be able to do a lot more than we are doing.

Now, I guess the second part of my answer relates to the general issue of achieving cooperation and consensus. And I am reminded of the way that Lyndon Johnson on one occasion achieved consensus of a labor-management group meeting at the White House during his Presidency. He locked everyone up in a conference room without any toilet and said, "You do not get out of there until you have reached agreement."

Now, it seems to me that this is a method of putting pressure on people, but it is not a method that you can institutionalize. And I think what we have been looking at here is a way of institutionalizing human behavior, and you cannot really institutionalize cooperation. You can make it easy for people to cooperate; you can provide set-asides and incentives and all this sort of thing. But the fact is that if the will and the determination are not there, you are not going to be able to force people to cooperate. And I think in a democracy, we have to rely on a lot of voluntary action.

So, as Bill Kolberg said, there are no easy answers. I do not offer any easy answers. But if I had one single "druther" in this, it would be to increase the funds by a factor of five.

Senator SIMON. All right. With that simple solution, I turn it back over to the chair.

I thank you all very much, and thank you, Mr. Chairman.

Senator QUAYLE. Senator Dodd?

Senator DODD. Thank you, Mr. Chairman.

I would just ask unanimous consent to have a statement included in the record at this time.

I know you have already gone around once, but why don't I just wait for the next panel?

Senator QUAYLE. OK. Without objection, we will put your statement in the record.

The next panel includes: Stephen Blair, Michael Crawford, Dean Griffin, Patrick McDonough, and Jack Struck.

OK. Mr. Stephen Blair, executive director, National Association of Trade and Technical Schools, here in Washington.

Mr. Blair.

STATEMENT OF STEPHEN J. BLAIR, EXECUTIVE DIRECTOR, NATIONAL ASSOCIATION OF TRADE AND TECHNICAL SCHOOLS, WASHINGTON, DC; MICHAEL E. CRAWFORD, CHAIRMAN, JOINT COMMISSION FOR FEDERAL RELATIONS FOR THE ASSOCIATION OF COMMUNITY COLLEGE TRUSTEES AND THE AMERICAN ASSOCIATION OF COMMUNITY AND JUNIOR COLLEGES, AND CHANCELLOR, EASTERN IOWA COMMUNITY COLLEGE DISTRICT; DEAN GRIFFIN, ACTING EXECUTIVE DIRECTOR, AMERICAN VOCATIONAL ASSOCIATION; DR. PATRICK J. McDONOUGH, EXECUTIVE DIRECTOR, AMERICAN ASSOCIATION FOR COUNSELING AND DEVELOPMENT, ALEXANDRIA, VA; DR. JOHN W. STRUCK, EXECUTIVE DIRECTOR, NATIONAL ASSOCIATION OF STATE DIRECTORS OF VOCATIONAL EDUCATION

Mr. BLAIR. Thank you, and good morning.

It is a pleasure to be here. I have submitted my testimony, for the record and we will just "summarize our written testimony".

Senator QUAYLE. All right. It will probably be better, anyway.

Mr. BLAIR. You have outlined the issues regarding the overwhelming concerns about employment, and the issues of training and retraining. You have also mentioned the displaced worker, the incredible rise in illiteracy in this country, the whole area of youth dropout, and all that these mean in relation to training.

Let me just briefly give you a little bit of background about what is the National Association of Trade and Technical Schools.

It is an association of 950 accredited, postsecondary, trade and technical schools teaching about 100 different careers, and serving about 250,000 students a year.

The main idea of private sector training is that it is done in the shortest period of time; it is hands-on training, with the purpose of creating people who are employable. Our record I think is outstanding. About 70 percent of the people complete the training and of those, 73 percent actually are placed in jobs related to their training. These figures represent a commitment to our schools to train and place the student.

These schools are very experienced in JTPA, voc rehab, student financial aid, and public assistance. And to be candid, there is a lot of confusion, and a lot of people are upset with the way these programs work and do not interrelate when attempting to serve certain populations. Coordination is absolutely necessary because we are doing a terrible disservice to the very people who are trying to serve with these programs.

I think think is one of the things we need to look at. I spent 18 years in Federal and State service; 15 of those years were with the U.S. Department of Education, all in student aid. I headed the Policy Unit for Student Aid and got to deal with the problems of how those programs came into conflict with public assistance, JTPA, and voc rehab. We did some work on a voluntary nature, but it was marginal at best, because each of the diverse programs comes from "Me first" or "My entitlement is the most important; you change your rules; I will not change mine."

What we need to do is create a situation in which there are incentives for managers to create program flexibility and to have

those programs meet the needs and thus serve the target populations.

I noted that when the Congress held an oversight hearing, you got the administration's undivided attention. It was exciting to watch the level of attention and issue resolution that attended the hearings. The function of oversight panels and the impact of oversight panels have on a bureaucracy is great, at least within the Department of Education. You noticed with your hearings, Secretaries Brock and Bennett are all of a sudden focused on these critical issues.

Thus, with regard to your specific proposal, my association has problems with setting up another bureaucracy. However, the idea of that panel being composed from the public and private sector is outstanding. The idea of an oversight panel to really focus on the questions of the delivery of these critical programs to such a diverse population is a proposal NATTS supports. This panel could come up with the national policy beyond JTPA look at what we are going to do about illiteracy, retraining, and focus on the idea of incentives that will make people do the kinds of behavior we want.

Senator, to us the most powerful idea today has been to provide funds to individuals to choose the kind of educational experience that is most effective for them. The idea has proven in the GI Bill and the Pell Program to be very, very effective.

Finally, Senator we believe that there is a tremendous need for program coordination, and believe a National Oversight Panel could in fact bring that kind of coordination.

Thank you, sir.

Senator QUAYLE. Thank you very much, Mr. Blair.

[The prepared statement of Mr. Blair follows:]

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STATEMENT OF

Stephen J. Blair
Executive Director

National Association of Trade and Technical Schools (NATTS)

BEFORE THE

Subcommittee on Employment and Productivity

Committee on Labor and Human Resources

U.S. Senate

Regarding

S. 1990 - Education and Training Partnership

February 25, 1986

Mr. Chairman, Members of the Subcommittee. Thank you for the opportunity to appear before you and share our thoughts and comments on S. 1990.

My name is Stephen J. Blair, and I am Executive Director of the National Association of Trade and Technical Schools (NATTS). Before joining NATTS in August of 1985, I had 18 years of experience in state and Federal government service. My entire public service career was spent in the field of postsecondary education and student financial aid, and most recently, as the Director of Division of Policy and Program Development in the Office of Student Financial Assistance of the U.S. Department of Education.

Before specifically addressing S. 1990, I would like to briefly describe the National Association of Trade and Technical Schools.

NATIONAL ASSOCIATION OF TRADE AND TECHNICAL SCHOOLS (NATTS)

The National Association of Trade and Technical Schools (NATTS) is an Association of 940 accredited private (tax-paying) postsecondary occupational schools and branch campuses. Our schools are job-oriented and dedicated to serving the training needs of students and employers. Training in over 100 careers is available; schools are located nationwide. There are an estimated 250,000 students representing the full range of income, racial, and ethnic backgrounds enrolled in these institutions.

Our schools are market-oriented which means they are sensitive to society's demands for career-related training, and they understand how shifts in the labor force are affecting particular occupations. "Hands-on" training, frequent starting dates for quick access, an accelerated pace of training, flexible teaching schedules, a work-related atmosphere, and a heavy emphasis on retention and job placement are all innovations introduced by private occupational schools to serve the training needs of business and industry.

We are pleased with the demonstrated commitment of our schools to the student. Nationally the completion rate is about 70% and approximately 73% are placed in jobs directly related to their studies.

TRAINING NEEDS OF SOCIETY

Private occupational schools are in the forefront of responding to the needs of an economy that is changing from an industrial to a service-oriented base. These schools are skilled in the training of individuals just entering the labor force as well as those adults who are in need of retraining--such as displaced and dislocated workers. We would like to highlight some of the trends that face our economy and our educational system.

- The U.S. economy is shifting from an industrial to a service and high technology-based economy.

- The demand for skilled labor is increasing at the same time that the number of unskilled people is also increasing - a mismatch that will have disastrous consequences.

- Unskilled workers are increasing impact due to the growing number of high school dropouts. Each year more than one million youngsters drop out of high school (in New York State alone, last year 52% did not complete high school and in New York City 70% dropped out before graduation).

- Adult illiteracy has become a problem of major proportions.

- Since 1960, the number of jobs has increased from 58 million to 108 million.

- During the last 25 years, 25 million jobs became obsolete and 75 million new jobs were created.

- Four out of five future jobs will require skill training, but not necessarily a college degree.

- The American adult may change careers/jobs an average of five times during his/her lifetime.

Over half of our students are utilizing Federal and/or state aid programs that help pay all or a major part of their tuition. Our school administrators are knowledgeable about JTPA, Voc-Rehabilitation, public assistance, student financial aid, veterans

benefits and state and local job training programs. We have a great deal of knowledge about how these programs work, why they do not work, and how they can be made to work better. We believe we can make a major contribution to these public issues, particularly, in regard to the importance to not only allowing but encouraging choices by individuals. It is consumer's choice that was the cornerstone of the most successful GI Bill and the Pell Grant programs.

Response to S. 1990

We commend you for your efforts to look at ways to coordinate the Job Training Partnership Act, the Wagner-Peyser Act, and the Carl D. Perkins Vocational Educational Act.

It is obvious to the affected population that Federal education, training, and support programs in this country are in desperate need of coordination. Often there are conflicting rules and requirements in the Federal programs; programs designed to serve the same population. Classic battles rage between unemployment compensation and retraining programs, public assistance and retraining, public assistance and student aid. Training programs such as JTPA, and the Voc-Rehabilitation are in conflict with student financial aid programs Arguments are waged over whose "entitlement" program should go first, or last - ending in bureaucratic stalemates that only damage the

recipients and leave their needs unmet. Many times there are disincentives built into programs--disincentives that negate the very training that can make a difference. A classic illustration of built-in disincentives involves the single head of household that is denied training because critically needed child care is not part of the training program.

It must also be noted a great deal of controversy surrounds the diverse interpretations of the state and local administrators of "Federal" programs. Local autonomy usually results in wildly diverse interpretations of appropriate target population, program rules and levels of accountability. Local priorities can result in the exclusion of high risk populations, training, or skilled training providers.

As your Subcommittee has so astutely noted, without a method for coordination of the Federal agencies that administer these programs, we are not providing the needed training for individuals and, in some instances, we are creating barriers to this critically needed training.

Last week, both Secretary Bennett and Secretary Brock raised concerns about the creation of another bureaucratic agency. We share those same concerns and feel that such an entity could further burden the system of effectively administering Federal education and training in this country.

NATTS believes that the solution is not to create a "super agency"; rather, it is essential to create an atmosphere and the incentives for the existing agencies to work together and focus the limited Federal resources on clearly defined target populations. Federal agencies must be challenged to create program flexibility to join with other programs - rather than the all-too-typical response of: "No, my way or not at all." Program must create incentives for those providers of training who are willing to provide educational opportunities to high risk population.

In reviewing your proposal to establish an Education and Training Partnership, we find a great deal of force in the concept of a nine-member board composed of government and private sector officials. However, we believe that this board would be most effective as an oversight panel rather than as an administrator of the three Federal programs. Communication and cooperation among the Federal agencies would only be strengthened through such an oversight panel.

We feel that this Subcommittee has done an incredible service to the current recipients and future recipients of Federal training and education programs by raising the consciousness of Congress, Departments of Education and Labor, and others on how these programs need to be coordinated in order to effectively retrain individuals in our society.

We are pleased to have the opportunity to present our views and look forward to having an active part in the coordination and delivery of these programs on the national, state, and local levels.

Thank you!

Senator QUAYLE. Next, Mr. Michael Crawford, who is the chancellor of Eastern Iowa Community College District in Davenport.

Before you begin, Mr. Crawford, Senator Grassley was here, and wanted to be able to introduce you. Unfortunately, he had to go to another committee meeting. I am sure you understand, but he did want me to convey his best wishes for the outstanding testimony that he is certain that you will deliver to this Subcommittee.

Mr. CRAWFORD. Thank you very much. I appreciate that.

I am happy to be here, Mr. Chairman, for more than one reason. I want you to know that last fall, I testified before Congressman Ford the week that Iowa beat Michigan in football, and we are playing Indiana in basketball this week, and hopefully, this is a good omen.

Senator QUAYLE. I want the record to strike all those nice things I said earlier. [Laughter.]

Mr. CRAWFORD. And I am sure that does not count on my time. Thank you very much.

Senator QUAYLE. There is the red light. Thank you very much. [Laughter.]

Please proceed.

Mr. CRAWFORD. As you said, I am chancellor of Eastern Iowa Community College District. I am here today representing a joint commission of our two national organizations, the American Association of Community and Junior Colleges and the Association of Community College Trustees, and Mr. Chairman, I am here to tell you that we want to help you focus on this issue, and we are excited a8out being involved in that discussion.

The institutions that I represent are called by many the People's Colleges. There are over 1,200 community colleges in America today and presently we enroll about 8.5 million people. That is somewhere over 55 percent of all Americans who go to college for the first time in this Nation.

"Access" is a key word for us and a uniquely American dream. Community colleges provide access to the first 2 years of college for more minorities than any other sector in higher education. Community colleges provide more adult literacy training than any other postsecondary institutions. Community colleges also are often the places where high school dropouts turn when they realize they cannot hold down a job because they lack basic skills and technical training. Also, community colleges serve the majority of the disabled who are pursuing postsecondary education.

And most importantly perhaps in this discussion, in all of higher education, our institutions are the largest source of training and retraining for business and industry and for farmers. We participate in JTPA, we are heavily involved in the Carl Perkins Act, and we are affected by and obviously interested in what happens to the Employment Service. Therefore, your legislation is of great interest to us.

I can assure you that community colleges applaud the idea of a cohesive national strategy on human resources through which the Federal programs that support technical and vocational education and training work together in greater harmony.

Moreover, we encourage any Federal effort to increase private sector involvement in this area. In the last 20 years, the private

sector's utilization of the community college has grown dramatically. So overall, we support efforts that focus attention on the improved development of our human resources.

We do from our perspective want to challenge Congress to take better advantage of community colleges. We want to say to Congress what we say to our own communities, and that is, "Take advantage of our programs. We are here for your benefit, to help address your needs. We are the kinds of institutions that will tailor our programs to meet your specifications," and in this case, I think we are talking about the needs of this Nation, especially for economic revitalization.

Mr. Chairman, community colleges excel, providing programs that are employer-specific and promote economic development. The payoff simply is more jobs, reduced unemployment, and higher productivity and increased profits for business and industry.

I can tell you that in hundreds of community colleges across the Nation where customized training is provided, our institutions are helping to cause positive community change, revitalization, and economic growth.

It should be obvious, then, Mr. Chairman, that we support the idea of a National Human Resource Development Program, and therefore, we are especially interested in the central thrust of S. 1990.

We appreciate the preference for a relatively small, action-oriented Board to lead the program. We would suggest, however, for the sake of balance as well as technical competence, similar to what Senator Pell suggested, that the education community should have similar representation on the Board as the employer community.

Given the representation that the bill prescribes, it would be easily possible to end up with a board in which no member has a strong knowledge of employment training and training technology. I might also mention that we would suggest that you consider placing the Director of the National Science Foundation on the Board.

The strength of your bill, Mr. Chairman, lies in the concept of a cohesive national strategy for bolstering both employment and productivity. Your bill could offer the opportunity for that national strategy in which community colleges can be used, and we want to be used, to the greatest advantage in the development our human resources.

I can assure you we want to be involved. We want to work with you. As you said before, we want to help focus on this issue, and we are ready to go to work for you in that in the development of a national strategy.

Thank you very much.

Senator QUAYLE. Thank you very much, Mr. Crawford.

[The prepared statement of Mr. Crawford follows:]

TESTIMONY

on

S. 1990
EDUCATION AND TRAINING PARTNERSHIP ACT

by

Michael Crawford
Chancellor
Eastern Iowa Community College District

on behalf of

The Joint Commission on Federal Relations
of the
Association of Community College Trustees
and the
American Association of Community and Junior Colleges

before the

Subcommittee on Employment and Productivity
Committee on Labor and Human Resources
U.S. SENATE

February 25, 1986

Mr. Chairman, members of the Subcommittee, my name is Michael Crawford and I am Chancellor of the Eastern Iowa Community College District. Today I speak to you on behalf of the institution which I head and also on behalf of the Joint Commission on Federal Relations of the Association of Community College Trustees and the American Association of Community and Junior Colleges, which I chair.

It is a privilege to be able to testify before this Subcommittee about the Education and Training Partnership Act, S. 1990, which proposes to establish an Education and Training Partnership to administer the Wagner-Peyser Act, the Job Training Partnership Act and the Carl D. Perkins Vocational Education Act. Community colleges are vitally concerned about what happens to the programs and services provided through these Acts.

The institutions I represent are called by many the "People's Colleges." There are over 1,200 community, junior and technical colleges in America today and this year we will enroll eight and one-half million students. Our colleges now enroll 55 percent of all Americans who go to college for the first time.

Mr. Chairman, access to higher education is a uniquely American dream -- one recognized by the founders of our country, encouraged by the Congress, and nourished by a uniquely American institution -- the community college. Community colleges

provide access to the first two years of college for more minorities than any other sector of higher education. Community colleges provide more adult literacy training than any other postsecondary institution. Community colleges are often the places where high school dropouts turn when they realize they can't hold down a job because they lack basic skills and technical training. Community colleges also serve the majority of the disabled who are pursuing postsecondary education. And in all of higher education our institutions are the largest source of training and retraining for business and industry. We serve the Job Training Partnership Act in many, many communities. We are heavily involved in the Carl D. Perkins Vocational Education Act. And, we are affected by and obviously interested in what happens to the Employment Service. Your legislation is of great interest to us.

I can assure you that community colleges applaud the idea of a cohesive national strategy on human resources, through which the federal programs that support technical and vocational education and training work in greater harmony with each other.

Moreover, we encourage any federal effort to increase private sector involvement in this area. In the last twenty years, the private sector's utilization of community colleges has grown dramatically.

Overall, we support efforts that focus attention on the improved development of our human resources -- the skill base

the nation must have to meet the challenges of global economic, and technological and cultural change.

We want to challenge the Congress to take better advantage of community colleges. We want to say to Congress what we say to our own communities: "Take advantage of our programs. We're here for your benefit, to help you address your needs, and to capitalize on new technology. We will tailor our programs to meet your specifications." And in this case, we are talking about the needs of this nation especially for economic revitalization.

It has been urged by the President's Commission on Industrial Competitiveness that "Universities, industry, and Government must work together to improve both the quality and quantity of manufacturing-related education." Under its recommendation, "Improve Work Force Skills," the President's Commission goes on to stress:

> "Employer investment in employee training should be encouraged through macro-economic strategies designed to maintain economic expansion and reduce unemployment; balanced treatment of employer investments in human and physical capital; strengthened capacity of vocational education institutions and community colleges to provide customized training programs; and removal of tax disincentives for individuals being trained through employer-financed education programs..."

Community colleges excel in these circumstances providing programs that are employer-specific and promote economic development. The payoff is more jobs, reduced unemployment and higher productivity and increased profits for business and industry. I can tell you that in hundreds of community colleges across this nation, where customized training is provided, our institutions are helping to cause positive community change, revitalization and economic growth.

It should be obvious, Mr. Chairman, that we support the idea of a national human resource development program and, therefore, we are especially interested in the central thrust of S. 1990. And, we appreciate the preference for a small action-oriented Board to lead the program.

However, for the sake of balance as well as technical competence, the education community should have the same representation on the Board that the employer community has. Given the representation that the bill prescribes, it would be easily possible to wind up with a Board in which no member had a strong working knowledge of employment training and training technology. We also hope that you might consider placing the Director of the National Science Foundation on the Board as a member.

The strength of the bill, Mr. Chairman, lies in the concept of a cohesive national strategy for bolstering both employment and productivity. As the stream of high school graduates

recedes in the years ahead and the pace of technological change continues to accelerate, the nation faces an unprecedented challenge in keeping industry and the economy effectively staffed.

Your bill, Mr. Chairman, could offer the opportunity for a national strategy in which community colleges can be used to the greatest advantage in the development of our human resources. I can assure you that we want to be involved, and we want to work with you and others in the development of a national strategy. We thank you again for this opportunity to offer comment.

Senator QUAYLE. Mr. Dean Griffin, who is the acting executive director of the American Vocational Association.

Mr. GRIFFIN. Thank you, Senator, and good morning. It is always a pleasure to work with you and the members of the subcommittee.

I am here representing the 50,000 members in the American Vocational Association, vocational educators who are involved in the delivery of education and training services nationwide. We are an integral part of the education system.

I say that not that it comes as a surprise to you, but that it will flavor my remarks as we move through today. Your hearings, Senator, I think are very timely, on your proposal that wants to embrace and help vocational education improve its services to our Nation as we work in every community.

I say it is very timely because it comes at the same time that we see a Department of Education that is currently responsible for the administration of the vocational education programs, seeking desperately to disengage themselves from these vocational education programs. I find it interesting that on the one hand your proposal would move to embrace, but on the other hand the Department of Education has some grave doubts about funding vocational education.

Senator, we in vocational education essentially agree with your objectives in introducing S. 1990. We feel you are to be commended for bringing this issue to the forefront. However, we believe that the coordination that we are seeking—and we have sought it as we have worked with these programs; I myself was involved in working with Congress as they developed the CETA legislation in 1973; we worked with you and watched you as you and the committee and others developed the Job Training Partnership Act and then as you worked through the Carl Perkins Vocational Education Act—so we agree that the coordination is needed.

We feel there is a good bit of legislation in place that calls for this coordination, and we agree with your prior witnesses who say that this coordination is not there currently.

However, what we would like to see is that coordination to be effective must address two or three issues that I would like to bring up.

One, coordination must focus on program areas that would help build a permanent capacity in the States and local communities. We feel this is a great problem with us in coordinating the two programs. We get tired of moving in and out of the job training business and having the systems that are there sometimes temporary in one instance and coming in and out. So we feel that this coordination or policy must seek a permanent capacity.

In addition, we would like to see whatever comes out of this have the ability to utilize the funding base of State and local governments and not, as we have now, one program that is 100 percent Federally funded trying to meld and coordinate with another program 10 percent Federally funded and 90 percent essentially State and local funding. We feel these are some problems that can be addressed. As we look to work with you, Senator—I am aware of the red light, so let me move just very rapidly through—we feel that the addressing of the problems should focus on the question of coordination administratively as well as in policy. Policy coordination

is imperative for us as was addressed earlier. If we have a national policy for education and training, we feel that the coordination will follow through. We feel that a national policy can overcome some of the administrative, political, and funding limitations that we have; for instance, the differences in the education system and the job training throughout the country.

One of the things that we would urge you to do is seek a national policy for employment and training, education and training, that would umbrella the various systems.

We would urge you, perhaps, Senator, to look at the agencies or the institutions that are in place, the National Commission on Employment Policy and the National Council on Vocational Education, to assist with this effort and to look at it as you move on down.

It appears that the way to span turf, politics, agencies, and even our way of life and our society, Senator, is to address it in a policy stance rather than in an administrative stance, and we are concerned that the administrative stance of an agency would have too many problems at this time.

Senator QUAYLE. Thank you very much.

[The prepared statement of Mr. Griffin follows:]

STATEMENT

OF

DEAN GRIFFIN

AMERICAN VOCATIONAL ASSOCIATION

ON

THE EDUCATION AND TRAINING PARTNERSHIP ACT

(S.1990)

BEFORE

THE

SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY

SENATE COMMITTEE ON LABOR AND HUMAN RESOURCES

FEBRUARY 25, 1986

Mr. Chairman and members of the Subcommittee:

On behalf of the 50,000 members of the American Vocational Association (AVA), I thank you for the opportunity to present our views on S.1990, Senator Quayle's and Senator Kennedy's proposal for an Education and Training Partnership agency.

Mr. Chairman and the members of the Subcommittee, you are to be commended for bringing to the forefront the issue of coordination of "functions" at the federal level. This issue has, over the years stubbornly resisted effective actualization. Recently, you and your colleagues provided the leadership in developing and enacting the Job Training Partnership Act (JTPA) of 1982. This is a major law for human resource development which calls for significant private sector participation and coordination among programs and service deliverers.

Vocational education also has a long standing commitment of active involvement with business and industry at the state and local levels. This program, assisted with funds from the Carl Perkins Vocational Education Act, has a history of private sector collaboration. In 1984, the Office of Vocational and Adult Education, U.S. Department of Education, estimated that there were some 700,000 business volunteers annually serving 88,000 to 140,000 local Vocational Instructional Program Advisory Committees. That year, a business representative from each state and territory received a Presidential Citation for outstanding efforts on behalf of vocational education.

The commitment to serve and advise is also evidenced by the business community in other ways. The National [Advisory] Council on Vocational Education held a series of hearings (1983) at which more than 75 business people testified. Mr. Eric B. Hilton, Hilton Hotel Corporation, called on business,

industry, and unions to help develop accountability standards for various vocational courses. Such concepts were later incorporated into the Carl D. Perkins Vocational Education Act in the form of Technical Committees.

Ms. Janet Hunt, Standard Oil of California, helped clarify a misreading of statements by industry representatives. She noted that industry people have strongly advocated better business-English skills training which has been misinterpreted by "some legislators/educators as four years of English literature."

Finally, the Committee for Economic Development in its recent study, Investing In Our Children, recommends:

(a) the development of area vocational centers as a superior form of program delivery, and

(b) occupationally specific training for high school students in addition to the completion of a core academic curriculum.

They have prevailed upon their membership to forcefully support such counsel.

There are also many fine examples of business, vocational education, JTPA partnerships whose coordinated activities directly benefit students. Business involvement in these situations frequently go beyond advice to decision making on policy and programs. Furthermore, the National Alliance of Business reports that 85% of all SDA's use public vocational institutions (local high schools/community colleges) to provide Title II A training for the disadvantaged. This number represents a continuing effort to make use of vocational education's in place capacity. We will be happy to furnish specific examples of partnerships, if the Committee so desires.

Vocational educators concur with the Chairman's efforts to explore how to get federal agencies to coordinate more closely their activities in conjunction with the private sector. However, we believe that such coordination should be designed for more administrative and program effect than we have heard discussed. We think coordination should be for the purposes of:

(a) building a permanent capacity to deliver vocational education in the states,

(b) utilizing the funding base of state and local governments in the delivery of education and training services,

(c) removing artificial barriers that inhibit state/local administration and to enhance coordination of the delivery of quality, timely, comprehensive education and training, and

(d) promoting exemplary activities through research, demonstration, and dissemination that facilitate coordination at the state and most particularly at the local level.

We in vocational education are not sure that an independent super agency that draws on subordinate agencies for resources will be able to achieve these purposes in policy/program coordination while also stressing private sector involvement.

At the same time, we are deeply concerned that the Department of Education has not brought about internal coordination or broad-based support of vocational education. You see, Mr. Chairman, we face a delimna. We certainly

want a stronger commitment from an administrative agency. Until more commitment is forthcoming, the status of federal support for vocational education in preparing America's work force is vague. The proposal is interesting in trying times.

Congressional action on the Carl D. Perkins Vocational Education Act and the Job Training Partnership Act, in large measure, has set the stage for the development of promising coordination efforts adapted to the unique needs of each state. There, however, is still much to be done to realize a true coordinated effort. Perhaps this is because of the inherent nature of the two programs. The fact that the programs are by nature of different design causes many questions to surface.

Those questions that remain unanswered in S.1990. are troubling. For example:

- Can we achieve coordination among programs when one is 100% federally funded and administered while the other (vocational education) is only 10% federally funded and the remainder local and state funded?
- Can we jointly administer programs when policies and administrative requirements originate at the national level on one hand and at the local level on the other?
- How will a program that could serve all individuals in a community be totally coordinated with a program targeted to serve the disadvantaged only?

- Would a merger at the national level such as is proposed generate similar administrative structures at the state level and, if so, would this have a tendency to remove vocational education from the public education structure?

- How can true coordination be achieved without transferring the labor market related functions of the Department of Commerce and HHS to the new agency?

- What would be the goals, objectives, and proposed outcomes of a new administrative agency? For example, what criteria will be used to approve state plans (coordination represents only one element in program administration); if the new agency disapproves of one or both plans, how will the situation be reconciled given the differences in populations served?

- Will the State Boards for Vocational Education which are sole state education agencies responsible for the program be subjected to making changes in the plan which are contrary to state education laws/codes; and if so, will approval of one plan hold hostage the other in the name of coordination?

Mr. Chairman, we think such questions and others deserve a thorough analysis. Therefore, we propose that you establish a study commission along the lines of the proposed legislation. We would want it to make use of studies, and report its findings in a timely manner to all concerned groups. Further, we suggest that you call upon the National Commission on Employment Policy and the

National Council on Vocational Education to assist with this effort. These agencies are asked in current law to examine and report on policies needed to improve coordination. Both have members from the private sector. It would appear that it would be timely to utilize existing law to explore the questions and perhaps even to resolve the coordination problem in the future.

Vocational educators will pledge support to a continuing analysis by the Subcommittee and to an independent study of ways to resolve the problem.

Thank you Mr. Chairman.

Senator QUAYLE. Dr. Patrick McDonough, executive director, American Association for Counseling and Development.

Good morning.

Dr. MCDONOUGH. Good morning, Senator.

I am the executive director of the American Association for Counseling and Development, an organization comprised of about 47,000 professional counselors, counselor educators, and human service providers.

Our association has and will continue to take a strong interest in programs which involve employment training and vocational education.

On behalf of the entire membership, let me thank you for this opportunity to speak to you about S. 1990, the Employment and Training Partnership Act.

And let me congratulate you also, Senator, and Senator Kennedy and Senator Dodd, for opening the dialog on how best the Federal Government should deliver vocational education and employment training to our Nation's citizens.

I realize that S. 1990 was based on the need to review and approve programs which have provided the skills training and educational development for a generation of Americans.

But let me say, having said that, that we are not for the status quo, but we do feel that changes in the current structure are needed in Federal programs and training and education programs, and they need to be carefully reviewed.

S. 1990 represents an innovative idea on how best to deliver the services provided by the Wagner-Peyser Act, the Job Training Partnership Act and the Carl D. Perkins Vocational Education Act, but I would like to caution the subcommittee on the consolidation of these programs into one administrative body.

I think there is a layering that is built in here put in another administrative body over what we already have. Based on what we have seen in the last few years, it is our belief that vocational education programs are best administered by the Department of Education, and employment training programs are best administered by the Department of Labor.

Both Secretary Brock and Secretary Bennett in their testimonies, which I read carefully, indicated that they are in the beginning steps of partnerships between their two agencies. And I think these partnerships should be allowed to blossom and develop and continue.

As our Nation seeks to meet the administration's commitment to excellence in education, we should ensure that all efforts include all components of our education system. And from an organizational perspective, it makes sense that vocatioal education stay under the jurisdiction of the Department of Education.

And in regard to labor programs, your le JTPA and its amendments to the Wagner-Peyser Act are really beginning to show signs of success in coordination of job training and employment services. We believe that the establishment of an employment and training partnership may cause an overlap in responsibilities between education and labor programs, thereby causing unnecessary delays in the delivery of services.

Senator Quayle, I do appreciate this opportunity to speak with you today, and I will welcome the opportunity to answer any questions that you might have.

Senator QUAYLE. Thank you very much.

[The prepared statement of Dr. McDonough follows:]

TESTIMONY OF DR. P.J. McDONOUGH BEFORE THE SENATE SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY

Good morning. Mr. Chairman and Members of the Subcommittee, my name is Dr. Patrick J. McDonough and I am the Executive Director of the American Association for Counseling and Development, an organization comprised of more than 47,000 professional counselors, counselor educators, and related human service providers.

In addition, three of our twelve divisions, the American School Counselor Association, the National Career Development Association, and the National Employment Counselors Association have, and will continue to take, a strong interest in programs which involve employment training and vocational education.

On behalf of our entire membership, let me express our appreciation to the Subcommittee for the opportunity to share with you our concerns in regard to the the federal commitment to education and labor programs, especially S. 1990, the Employment and Training Partnership Act.

Let me begin my congratulating Senator Quayle and Senator Kennedy for opening the dialogue in how best the federal government should deliver vocational education and employment training services to our nation's citizens.

It is an important exchange given the rapidly changing society in which we live.

I realize that the introduction of S. 1990 was based on the need to review and improve programs which have provided the skills training and educational development for a generation of Americans.

While we do not necessarily believe in preserving any type of status quo, we do feel that changes in the current structure of federal employment, training and education programs must be carefully reviewed in order to retain those components which are successful.

S. 1990 represents an innovative idea in how best to deliver the services provided by the Wagner-Peyser Act, the Job Training and Partnership Act and the Carl D. Perkins Vocational Education Act, but I would voice caution at the consolidation of these programs into one administrative body.

Based on what we have seen in the past few years, it is our belief that vocational education programs are best administered by the Department of Education, and employment training programs are best administered by the Department of Labor.

This is much more than a semantic argument.

The programs which fall into the category of vocational education are directed at those individuals who are currently in school.

Before individuals can make sound career decisions, they need assistance in raising their awareness, and focusing their exploration as they move into the decision making stages of their life.

This is an educational process.

As our nation seeks to meet the Administration's commitment to excellence in education, we should ensure that our efforts include all components of our education system.

And, from an organizational perspective, it makes sense that vocational education stay under the jurisdiction of the Department of Education.

In regard to labor programs Senator Quayle, your leadership in the enactment of JTPA, and its amendments to the Wagner-Peyser Act are beginning to show signs of success in coordination of job training and employment services.

We believe that the establishment of an Employment and

Training Partnership may cause an overlap in responsibilities between education and labor programs, thereby causing unnecessary delays in the delivery of services.

Under Secretary Brock and Secretary Bennett, we have seen an increased coordination of labor and education programs, and feel that they should have the opportunity to continue with the planning that has been initiated before any major changes are considered.

Senator Quayle and members of the Subcommittee, the American Association for Counseling and Development appreciates the opportunity to appear before you today.

Our organization stands ready to assist you and your staffs in whatever way possible as the dialogue which you have initiated continues.

Thank you.

AACD NEWS RELEASE
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FOR IMMEDIATE RELEASE
FEBRUARY 25, 1986

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CONTACT RICHARD YEP: 543-0030

COUNSELORS TESTIFY ON EMPLOYMENT AND TRAINING BILL

Acknowledging that a continuing dialogue on the federal commitment to vocational education and employment service programs was good public policy, Dr. Patrick J. McDonough, Executive Director of the American Association for Counseling and Development, today cautioned a U.S. Senate subcommittee that consolidation could negatively impact the services which are currently provided.

McDonough was testifying before the Senate Subcommittee on Employment and Productivity during a hearing on S.1990, a bill to merge various federal programs into one administrative body.

Included in the bill are the programs authorized under the Carl D. Perkins Vocational Education Act, the Job Training and Partnership Act, and the Wagner-Peyser Act which includes the U.S. Employment Service.

McDonough cited both a philosophical and a structural obstacle to removing vocational education programs from the Department of Education.

"As our nation seeks to meet the Administration's commitment to excellence in education, we should ensure that our efforts include all components of our education system," McDonough testified.

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Counselors Testify on Employment and Training Bill
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"And, from an organizational perspective, it makes sense that vocational education stay under the jurisdiction of the Department of Education," he said.

McDonough went on to congratulate Senator Dan Quayle (R-IN) for his leadership in the establishment of JTPA and its amendments to the Wagner-Peyser Act which he said was beginning to show signs of success in the coordination of job training and employment services.

"While we do not necessarily believe in preserving any type of status quo, we do feel that changes in the current structure of federal employment, training and education programs must be carefully reviewed in order to retain those components which are successful," McDonough said.

The American Association for Counseling and Development is an organization comprised of more than 47,000 professional counselors, counselor educators and related human development specialists, who work in various settings including, but not limited to: education, employment services, vocational rehabilitation, and mental health.

# # # # #

Senator QUAYLE. Dr. Jack Struck, who is executive director of the National Association of State Directors of Vocational Education, Camp Hill, PA.

Dr. STRUCK. Thank you, Senator Quayle.

I am John W. Struck, executive director of the National Association of State Directors of Vocational Education, and we very much appreciate this opportunity of appearing before you and your Committee to testify on this proposed legislation.

First of all, our association is composed of the top administrator of vocational education in each of the States. Most of them carry the title of "Assistant State Superintendent of Education" or "Assitant State Commissioner of Vocational and Adult Education".

We very much are eager to work with you in achieving better coordination and cooperation between Vocational Education, the JTPA, and Employment Services, and so forth.

However, the association agrees with the concepts of the bill that are proposed, Senator, but we must in all honesty tell you that for a number of reasons, we do not believe that creation of a new Federal agency is necessary to accomplish this.

Vocational Education and JTPA have a lot of differences. JTPA is primarily concerned with short-term training for immediate employment. Vocational Education is a broader-ranged program, designed to educate the entire individual, make him or her flexible for future long-term life work and employment, attitudes and so forth. And so there are some very major differences between the JTPA and Vocational Education. We need them both, but they are different. And we feel that keeping Vocational Education in the Department of Education can help it achieve its aims for the citizens of the United States better than it would by placing it in an entirely separate agency.

For example, if Vocational Education were placed under a separate agency, would not local superintendents perhaps take the view that, oh, here is a separate educational system. Would we not be creating a dual education system, two separate educational institutions?

Vocational education has for a long time been accused of being too separate and apart from academic education. And academic education and vocational education supplement each other and are part of the total education of an individual, both for adults and our youth. And by putting them in a separate agency, you are just pulling them apart and making the problems even worse than they have been for us in the past.

So we thoroughly agree with your concepts of increasing coordination and cooperation, but we do not feel that a separate agency is needed to do this.

Now, let me say something positive rather than negative about the coordination and cooperation. A lot of people say, "It is terrible." It is not all that terrible, Senator. It is working in lots of places—if you will read the written testimony submitted by Bill Kolberg from NAB, he will say, hey, it works in many, many places. And where it does not work, it is not because of legislation. It is because of people.

And when you asked the former panel, "What should we do?" we do not think that there are drastic changes needed in legislation.

After all, literally thousands and thousands of people were involved in the recent legislations that were passed by Congress, the JTPA Act and the Carl Perkins Act. An awful lot of work went into that. And we do not think that the situations have changed significantly so that the whole, total administration of both of these acts should be changed at the present time.

Now, having said that, you asked the former panel, "What shall we do?" We are suggesting that perhaps we should initiate a series of cooperative agreements between these various parties—the vocational education people, the JTPA people and the Employment Services, so that we can look at what each group is trying to do.

For example, by working on a set of goals and asking what are you going to do, what are you going to do, what are you going to do, for these people in this situation who need help, who need training, and look at those, and agreeing on those, we might be able to make this cooperation and coordination work much better than it is at the present time in many situations.

The legislation is there. It is a matter of making people work. And to get this done, perhaps we need to take it a step further and have these people sit down together and make some cooperative agreements and make the thing really move.

In the general application form required for JTPA programs, it is required that each agency state what kind of cooperation they are going to provide and by whom. We just have to make it work. Each group—the vocational education, the JTPA and Employment Services—need to zero in on our target populations and then evaluate the impact of each of their groups to see how we can improve this. And we have just got to make sure that the local applications for training are based on a needs assessment, a local needs assessment. And that can be done by all of these people working together, the National Councils, the State Councils, the Local Advisory Councils, the JTPA people, the PIC people, the local vocational coordinators, and it can work under present legislation. We have just got to all work together.

Thank you very much.

Senator QUAYLE. Thank you, Dr. Struck.

[The prepared statement of Dr. Struck follows:]

Statement of

John W. Struck, Executive Director

National Association of State

Directors of Vocational Education

before the

Senate Committee on Labor and Human Resources

Subcommittee on Employment and Productivity

February 25, 1986

Mr. Chairman and Members of the Subcommittee:

Thank you for the opportunity to appear before your subcommittee today. The National Association of State Directors of Vocational Education is the professional association composed of the top administrator of public vocational-technical programs and services in each state. All carry the title of State Director of Vocational Education, and also carry titles such as Assistant State Superintendent, Assistant State Commissioner, etc.

Our total membership and staffs are eager to work with you in achieving better coordination of vocational education, job training, and employment service programs. Mr. Chairman, we also very much appreciate the fine work which you have done over these past years to improve these programs, to make them more responsive to the needs of citizens of all ages and also to labor market conditions, and to reduce unnecessary bureaucratic requirements.

Fairly recently Congress has passed two very important pieces of legislation affecting the training of citizens to meet the needs of the labor market: the Job Training Partnership Act, and the Carl D. Perkins Vocational Education Act. Today we are here to discuss legislative ideas proposed by Senate Bill S.1990, which would significantly alter the administration and implementation of both of these recently passed laws.

Although the National Association of State Directors of Vocational Education thoroughly agrees with the concepts of trying to improve the coordination and cooperation between vocational education and job training programs and activities, we must in all honesty tell you that for a number of reasons we do not believe that creation of a new independent Federal agency to accomplish this, is necessary.

We firmly believe that improvement in federal agency coordination and in private sector participation may be secured as needed, or as problems develop, through existing governance arrangements and provisions in the federal acts. In our considered opinion, problems of coordination and cooperation do not appear so profound or extensive as to warrant removing primary authority from the administering agencies and placing it under a new federal agency.

While the Senate bill S.1990 proposal permits extensive delegation and redelegation of functions (leaving the future exercise of administrative oversight and statutory functions open to conjecture) because of the indefinite future of

administrative arrangements provided in the bill it is difficult to ascertain whether the changes proposed will in fact promote improvements warranting disruption of the present organization structure.

Private sector participation and agency coordination at the federal level, both of which are an aim of this proposed legislation, is already provided through existing legislation. An example of this is the provision for the National Council on Vocational Education provided in Section 431 of the Perkins Act. This establishes a Council of 17 members appointed by the President, nine of whom represent the private sector, and including at least one non-public member appointed from among members of the National Commission for Employment Policy, established under the Job Training Partnership Act.

At the state level, and especially the local level where training programs and services actually occur, additional concerns and questions arise if provisions of S.1990 are put into place. For example, if vocational education is administered by any agency other than the U. S. Department of Education, will this not tend to separate vocational education programs from all other areas of education, thus in effect establishing two separate educational systems?

If vocational education is to be administered by a separate agency, will not teachers and administrators find it difficult to plan and conduct programs which must meet all provisions of two

separate federal agencies with quite different requirements, and perhaps quite different aims and objectives? Such complexities would seem to create far more problems than would implementation of provisions of current legislation.

There are major and key differences between the aims and goals of general education and vocational education, and those of Job Partnership Training programs. JTPA programs are often primarily concerned with short-range, immediate employment skills. They are also available to a limited segment of our citizens. Educational programs aim to develop the entire potential of the individual being concerned with not only manipulative skills, but also academic competence, attitudes, communication skills, and life-long abilities and flexibility to meet changing needs.

As an example, vocational education faces a wide range of challenges and decisions as it attempts to meet the enormous range of needs and issues of citizens, our local/state/and federal governments, and the labor market, in the months and years ahead.

Some of these challenges are:

Efficiency Goals

- Economic development
- Productivity, international balance of trade
- Depressed areas, enterprise zones, rural areas
- Small business enterprise, entrepreneurship

- Skills needed for current jobs
- Keeping pace with changing technology
- High Technology, robotics
- Upgrading of current work force
- Upgrading, updating of vocational instructors
- Demographic changes, zero population growth, adult training, retraining
- Vocational education and defense industrial base, projected skilled work force shortages

Equity goals

- Training unemployed youth, dropouts, special needs groups
- Vocational education and minorities, fair employment practices
- Prevention vs. curative programs; implications for secondary programs, quality of initial training
- Nontraditional jobs (sex, age, etc.)

Educational Goals

- Vocational Education's impact on basic skills
- Specificity of vocational preparation (narrow vs. broad)
- Transferable skills
- Understanding the work place, economics

Government Roles, Collaboration

- Is there a federal role in vocational education?
- Government level responsible for funding

- Match of federal goals with state/local goals
- National role, programs of national significance--energy, high technology--quick start capacity
- Business/industry/labor/government, vocational education collaboration
- Relationship of vocational education with other trainers especially apprenticeship, Department of Labor programs

Attitudes Toward Vocational Education

- Credibility with employers
- Image of vocational education to public, attitude change

In light of the above, it would seem the only proper place for Vocational Education would be under the wing of the Federal arm most qualified to coordinate the education of the whole person. Keeping Vocational Education in the Department of Education makes it more capable of meeting the responsibility placed upon it by JTPA requirements. Instead of diminishing its capabilities, being an arm of the Department of Education makes it more responsive to the needs of all concerned.

These comments are not meant to rate one type of program against the other, but rather to point out that there are significant and major differences, which must be considered. Both types are badly needed by the citizens of the United States, and coordination and cooperation between vocational education and JTPA must certainly be improved to achieve this.

We strongly support the concepts of needing better coordination and cooperation, Mr. Chairman, but urge Congress to achieve this through excellent implementation of current legislation. Much effort and study by millions of people all over these United States went into devising the provisions of both the Job Training Partnership Act and the Carl D. Perkins Vocational Act. Surely situations have not changed so drastically in the short time since the passage of these acts which make it advisable to completely change the administration of both vocational education and JTPA programs.

In closing, Mr. Chairman, we share your belief in the importance of improving the coordination and cooperation between vocational education, job training, and employment service programs. Many improvements are currently taking place in this area, and we are working diligently to achieve the finest potential possible. We stand ready to work with you, Mr. Chairman, to continue improvements in each of these areas of concern.

Senator QUAYLE. Let me start with you, Dr. Struck. You say that there are a lot of differences between vocational education and job training. What population groups does vocational education serve that the job training legislation does not serve?

Dr. STRUCK. Vocational education aims to serve the total population, all youth and all adults; whereas the JTPA is zeroed in primarily on disadvantaged folks and folks who are in need and in depressed areas, and so forth.

Senator QUAYLE. Let me tell you about title III of the Job Training Partnership Act. That serves adults. It is the dislocated worker provision. And as a matter of fact, almost all of the people who are served out of title III are adults. And in title II, you are right, there is a 40-percent set-aside for youth and they must all be economically disadvantaged—but economically disadvantaged adults are also eligible for training under title II. As a matter of fact, we have a set-aside, a 3-percent set-aside, for training senior citizens.

So my question again is what population group does vocational education serve that the Job Training Partnership Act does not serve?

Dr. STRUCK. Well, we find that there are many people that cannot get into Job Training Partnership Act programs because of economic restrictions or other kinds of restrictions that are in the act. And JTPA really does not address the total population as a whole.

Senator QUAYLE. Well, in the dislocated worker provision, you have got total population if they are dislocated. And I think you will find, and certainly, there is an agreement between the two Secretaries of Education and Labor, that in the populations there was no difference between job training and vocational education. Both the Secretary of Education and the Secretary of Labor agreed to that. They also agreed that there was no difference fundamentally in the programs that they have.

And if that is a basic agreement, our answer is: Why not consolidate? I mean, if we are both doing essentially the same thing—you know, I agree that there has got to be a strong educational component when you look at the whole employment activity. And one of our problems is that we have always separated them. For some reason, training for employment is separate from education. That is nonsense; it is total nonsense. The two go together.

I mean, you are not going to get a job, particularly as we look at the requirements for skilled labor, if you do not have basic education, if you are not educated.

Dr. STRUCK. That is correct.

Senator QUAYLE. Education and training go together. And what you are saying and others have said is that one of the reasons we have got these problems is because for some reason they are perceived as different; one comes from the Department of Labor, and one is from the Department of Education.

Senator Pell made the comment about S. 1990 that you need to give a little bit more of an educational component to the makeup of that, and I think that that suggestion is a very valid suggestion. And he has long been in the area of education, and I take thatas being very good, constructive criticism.

I guess I would ask the panel this one question. Let us focus a moment on the process and procedure as we go about delivering our current efforts to prepare our young people and our adults for the labor market, the process.

Do you agree with me that the process is basically right now inadequate, and it is not doing as good a job as it should be doing, or are you basically content, as some people are, to preserving the status quo procedurally?

I am not talking about the need for better managers, or a people problem. I am talking about the process itself; the actual procedures that we go about delivering our services.

Are you content with the status quo, or do you think we can do a better job as we prepare our young people and our adults for jobs?

Mr. BLAIR. If you could give me one or two words on what you mean by "process"?

Senator QUAYLE. I am talking about the current procedure where you have got vocational education delivering its services, job training delivering its services, Wagner-Peyser delivering its services, vocational rehabilitation delivering its services—you name it—the way that they are, at present, delivering the services that start here at the Federal Government and goes down through the State and then the local level—the system, the current procedural system that we have. Is it a system that we need to keep, or do you think we can immensely improve upon that system and process by which we go about delivering these services?

Mr. BLAIR. My reaction is that I think you can always improve them. And what I see right now is that in many places there is confusion, there is overlap, you have populations not being served that should be served, populations that are being served that can be served some other way.

There becomes an allegiance to a program; a group of people buy into it. And keeping that program is most important, rather than continually reassessing what are the needs of society and what best way do we have to deliver training to handle those needs. I think it can be substantially improved.

Senator QUAYLE. Mr. Crawford?

Mr. CRAWFORD. I agree, Mr. Chairman. There is no question but that the process can be approved. There is no question but that each of us is also going to tell you we are doing a heck of a job with all of our programs back at the local level.

And we do work at the local level and at the State levels to try and coordinate these programs the best we can. But frankly, that is not going to happen totally if we do not have communication at tbis level, if we do not have some means of causing us to come together for better communication.

I do not think that communication is going to cause separateness. I think if each of us comes together and maybe even gives up a little turf, we could do a better job.

I think a national strategy has got to start at this level. I think that is what you are suggesting in a general sense, and that cannot help but help the process for each of us back home locally.

Senator QUAYLE. Mr. Griffin?

Mr. GRIFFIN. Senator, I think it can be improved, and certainly, we want to do that. I think it can be improved as we move into

Department of Labor-funded programs, for instance, that do build on the capacity at the local level.

What we have seen all the way through CETA and in the beginning of JTPA is an intermediate or a remedial type of operation. And you say there is no difference in the program. If you recall, as we worked with you in the establishment of JTPA, we urged you to run the training function through the education programs and the vocational education community. The vocational education community in your judgment was not ready to receive it at that time and was not doing the job that you felt it needed to be doing for the disadvantaged population.

But Senator——

Senator QUAYLE. Now we know you are doing such a good job we want to get you together.

Mr. GRIFFIN. Yes, and I applaud what you are trying to do. The programs, however, are, Senator, serving somewhat different population groups in some instances. In some instances, they are the same group. But let us take a young person who is employed. Is that person eligible for funding of programs under title III, displaced workers? But that person might very well need to be upgraded and move on above a minimum wage job and move into further educational programs. Vocational education has that capacity because it is locally-funded, State-funded and under local education policies, whereas it would not have that ability under 100 percent federally funded policies coming under JTPA.

So we need a capacity, and that will improve the coordination, I think, of JTPA, the building of the capacity and the permanency. I have watched with you what we have gone through in bringing these programs together. You can say just about anything you want to about vocational education and JTPA programming, and it will be true. Why? Because it is true somewhere, in some school, some local district. You can say it does not work, you can say it works, and it will be true.

So what we are seeing is that laws are in place, but perhaps policies are not fully being implemented there, and we are not tying it together by policy at the national level.

Senator QUAYLE. Dr. McDonough?

Dr. MCDONOUGH. Yes, I think it can be improved, Senator, and I think you are starting a dialog that is going to give this opportunity for better communication between both the education sectors and the private industrial sectors.

And perhaps in better communication between these two, we are going to have a well-articulated and better-articulated national employment policy which would involve both education and training. I would hope that that would come about.

Senator QUAYLE. Dr. Struck?

Dr. STRUCK. Of course, as was said earlier, we are all going to tell you it can be improved, and firmly believe that and mean it. However, let us not throw the baby out with the bathwater. We do have in place a fine training program and capacity for training our citizens of the United States, with both vocational education and the JTPA, with our military training programs, and with our private training programs. We have quite a system in the United States.

Let us not throw it out. Let us just improve the coordination and cooperation.

Senator QUAYLE. Thank you.

I would ask for a "Yes" or "No" answer because I want to yield to Senator Dodd. Do you think that we should possibly require at the Federal level, as we do at the PIC Council and the State and local levels, private sector participation in the decisionmaking?

Dr. STRUCK. Yes.

Senator QUAYLE. Dr. McDonough?

Dr. MCDONOUGH. Yes.

Mr. GRIFFIN. Yes.

Mr. CRAWFORD. Yes.

Mr. BLAIR. Yes.

Senator QUAYLE. All yes. Thank you.

Senator Dodd?

Senator DODD. Thank you, Mr. Chairman. I asked earlier to have my opening statement included as a part of the record, but let me just briefly state that I think Senator Quayle has performed an invaluable service. We rarely know what happens to bills we introduce, and sometimes I think we all live and die on whether or not something is adopted or not adopted. But I think all of you here, in response to the previous question by Senator Quayle, indicated how valuable this kind of a process is. As you have all responded to his question about whether or not things could be improved, I have listened to you all carefully, and you all agree that there are serious gaps at various places in the vocational education programs and their relationship to apprenticeship training or job placement.

If nothing else comes of all of this, there is a tremendous benefit that has, I think, already occurred.

I do not claim to be an expert at all in this area, but I am on this subcommittee, and I am interested it, and I see in my own State the various problems we have had. I have watched several programs over the years work to varying degrees of success. And I guess I come down to a pretty basic question in my own mind as to the role of vocational education. I guess you get a different response depending on to whom you ask that question. But I wonder if I might just ask that question of the five you you.

What is the function? Is voc ed an education program or is it a job training program? Is there a clear answer to that, one or the other? Maybe you come down firmly on one side or the other. I do not know myself. So let me ask the panel of experts here, and start with you, Dr. Struck.

Is it an education program or is it a job training program?

Dr. STRUCK. It is an education program. We also handle job training. We for many, many years have done adult, short-term, job preparatory and job improvement training. But basically, it is an educational program.

Senator DODD. Dr. McDonough?

Dr. MCDONOUGH. I think it is an education program, too, but it also involves a guidance dimension to it in preparing people for the world of work, particularly young kids, because largely the delivery of vocational education is kindergarten to 12, at least as currently constructed through the Vocational Education Act.

Mr. GRIFFIN. Vocational education is definitely an education program, but it is unique in that it is that component of education that is focused on preparing people directly for employment or enhancing their employment. It contains all the aspects of the other academic programs, basic skills, et cetera, and they must have that before entering a vocational program, but it also has that uniqueness of addressing the occupational skills and the employability skills that are needed by both youth and adults as they go on in.

And as was indicated by the other panelists, it does serve a population from early ages and the youth on through adults. So it is a rare bird; it is unique.

Mr. CRAWFORD. My view, Senator, is that job training teaches a specific skill; vocational education is education in a broader sense. Some people define it as education for work. I would rather define it as education for life, with the emphasis on work. But they are related, and they do fit together, and they should work together. That is our job to do that through our institutions. I think it is your job to assist us in doing it and providing some coordination at this level.

Mr. BLAIR. Senator, I come from a very narrow perspective, and from our perspective vocational education is job training, and singularly that. It is not to teach you to be an educated person. That supposedly was handled by the kinndergarten through 12 system. Our institutions are focused on teaching people how to do a job in the shortest period of time and be employable.

Now, in some cases where we deal with questions of JTPA programs, where we have had former incarcerated individuals, there is a lot of educating about the world of work, how to show up, being on time, how to carry on a conversation in a social circumstance, how to do a job interview. But basically, the bottom line for our institution, sir, is this job training.

Senator DODD. When I think of job training programs as opposed to vocational education, there are certain groups that come to mind. I think of displaced workers, people who have worked in a certain skill all their lives. I think of women who have worked previously and then had families and then decided they wanted to get back into the workforce and update their skills. I think of immigrants who come to this country who possess skills, but lack the language ability to be able to translate those skills into an American workforce. I think of the handicapped. I think of people for whom certain extraneous factors have occurred that require them to pick up some specific skills—ex-convicts, for instance. There was an excellent program in Hartford, CT, called the Maverick Program a few years ago. It was an eye-opener for me because what we discovered was that with AFDC recipients or former AFDC recipients and ex-cons, the problems were so fundamental that a nice white kid from a nice suburban community took for granted. Learning how to show up for work and learning how to show up on time, learning how to follow just basic instructions which all of us take for granted—there were real gaps in these people's experience. That Maverick Program was very limited; it did not handle a lot of people. It worked directly, I might add, Dan, with the United Technologies Corp. and did an excellent job of hiring people out of that program.

And then I think of that younger person who goes to the Ella Grasso Vocational Education School in Groton, CT, who is the 8 through 12 grade student who has decided they want to go into a specific kind of job that does not necessarily require a college education. And I think of that as a separate group.

Now, maybe I have not been all-inclusive. But when I come to vocational education, because I have mentioned these other groups with the language problems, the problem of handicapped, the problem of someone who has been an AFDC recipient, and the special needs there, I immediately think of the education programs that are in place to assist people who fall into those categories.

I guess what I am getting at is how can you take those programs within the Department of Education, that would normally fall within the Department of Education, and interrelate them as part of the vocational education programs as they prepare a person for job training.

I wonder if you might respond to that.

Mr. BLAIR. Thank you for the short one there.

Senator DODD. Let me ask one other thing, too. As I understand it, Section 411 of the Perkins Act—requires a plan or a study to determine how you might coordinate some of these things.

And Senator Quayle asked you whether or not you were satisfied, all of you, and you all said no. Let me take that a step further. If you were on that panel, if Senator Quayle and I could appoint you to the panel that is going to make a report in the next year, what recommendations would you make as to how to better coordinate these things.

I would like to hear some very specific recommendations that you would suggest. Rather than just saying the gap exists, what would you do to fill the gap in those particular areas? That is even a larger question, and I will stop there.

Mr. BLAIR. Let me try the first one first. As our schools look at the questions, we do not define those as distinct populations. We also have the 18-year-old who is right out of high school who simply wants to learn a trade—air-conditioning, auto diesel, electronics. We also have those with bachelor's and master's and Ph.D. degrees who would like to get a job now, so they go to our schools to be trained to get a job.

It is everyone who does not need a college degree, and that is the focus of our students. So when they come to us, they are there specifically to get skilled in the job.

The other issues—we are very good at handling handicapped students, but one of the reasons that we have an outstanding record of retention and placement is we do not treat them as handicapped. They are there to become an employable personality. And a lot of our training is very supportive of those with severe handicaps and marginal handicaps.

However, you are obviously not going to have someone who is in a wheelchair go into air-conditioning and heating. But you have a huge range of electronic capabilities and fields that are available for them, so that there is great range in opportunity. So we do not make that distinction, Senator.

I guess the second question, as I heard it, is what specifically—you see, one of tbe things that I pick up from my travels and con-

versations with school owners, school managers, people in the field, is that they sit down and tell me where all the problems are with these programs. I am not sure anybody asks the question what is wrong with the program and how would you fix it, of the users, including the people giving the service, the institutions and the consumer.

I hear the story about the female student who is standing there who is a single head-of-household with three kids who is entered in a program, but childcare is not covered. Well, you have effectively shut tbem out of the program.

And if I am picking up the stories, anybody can, but the question is, is anybody taking the time to ask the question, why isn't it working; where is it working, and how can we make that better. So if I were on that panel, that would be the series of questions that I would ask of the users.

Senator DODD. Mr. Crawford?

Mr. CRAWFORD. Senator, if I understood your first question correctly, I think we have a tendency to put people in different boxes, whether it is called job training or vocational education. It relates back to Senator Quayle's question earlier, and frankly, all of those are the same population. There really is not any difference.

There are differences in approaches to the programs. In some instances, it is for a specific skill, and in some instances, under the definition as I would see it of vocational education, it is broader than that. And that is the basic difference, again, going back to your earlier question, between the two. It is a matter of different approaches to accomplish different things. In community colleges, we do all of that. We do both. We cause those programs to come together and offer a variety of each.

We, in fact, find it difficult sometimes to understand what the issue is with regard to this discussion because in community colleges, we are doing these things and bringing those programs together.

And frankly, for some of those groups as you described, whether that be the immigrant or handicapped, whether you put a label of "job training" or "vocational education" on it really does not make any difference as long as it is doing what it ought to be doing for that particular person.

As far as the other item, what would we do if we were to bring this group together? I think the first thing that needs to happen is for each of us to learn more about the other, so that we recognize that there is so much more to gain by working together than there is to lose, and I really think that is the initial issue. There is an education job itself in this process, of causing those of us involved in vocational education and job training to come together and to learn more about each other and to recognize that we really can each be stronger by working with the other.

Mr. GRIFFIN. Senator, in order to answer your question, I suppose I would look to the vocational education system, which is the local policy and administration system—local school board and State board input, but essentially, a local school board system. Local boards and local institutions see a need, and they work with the private sector; in most every instance, they esta8lish programs and they enroll people. They make a decision as to what those pro-

grams are and who they are to be and generally speaking it is open to the public in that community.

In the Job Training Partnership Act, you have criteria and guidelines. They are much less restrictive now in the JTPA, thank goodness for that, than they were in the old CETA. But essentially, the Job Training Partnership Act was targeted to certain clients. Those clients that were eligible for that assistance could be served under the local school board programs or under other programs, but the Job Training Partnership Act now contracts in many instances with those local school systems. They contract to serve a targeted population in there or those who are eligible under the guidelines or under the Federal law of JTPA.

It has been external to the local education system. The local education system gets involved only on a contractual basis. Vocational education may be doing the same type of services under policies of that local school board to the same individuals, or they may not. But they definitely do if they are called upon to contract for those services.

So the point is that the vocational education community out there, under local policy, serves a much broader range, or serves those who are not eligible. They are doing the same services, and that individual may have the same needs, the same educational or training needs.

Because it is in the education program historically—and back in the history of the job training legislation at the Federal level, education was much broader, it included much more of the educational services than we saw in CETA in the seventies. But now we saw a need occupationally for that, an employment need for that, and so we have seen these programs move into the basic educational skills, employability skills, serving the individuals that were there. This has brought the two systems closer together.

If I could do anything, I think, to remedy the situation, setting up new approaches, I think it would be to try to mandate that we utilize the in-place public tax-supported education and training systems that are there. And this is the Job Training Partnership, which went a long way toward this. They said that the local PIC's must seek first the involvement of that local education agency to provide the services. That is not working as well as it ought to, because sometimes the education community looks over at the job training community and says, "Hey, we do not want any part of you. You are external to us. We cannot contract with you because of your requirements, your performance standards, or whatever, because we are trying to provide for that 'total' individual with the education needs."

And the job training community looks over at the education community and says, "Hey, you are not meeting the needs of these people, so we are going to go somewhere else, we are going to go down the street."

I think if we do not build the capacity of our in-place education institutions to solve the problems and address the needs of all of those people, we are going to be going amiss, and if we do not utilize the leveraging ability of the Federal dollar to come in on the local and State funds and increase that total pot, then we are going to be remiss and be negligent in that.

For instance, the Vocational Education Act leverages $8 to $9 local-State money for one. The Job Training Partnership Act, we do not know yet what it is leveraging, but I think it is 100 percent federally funded throughout. You see the differences.

We have a tremendous capacity out there, and that is what I would do if I were on that panel, is seek to leverage that in-place capacity.

Dr. McDONOUGH. On several levels—first of all, I am not an employment training specialist. I represent guidance and counseling interests. But you mentioned the Carl D. Perkins Act. I would like to see, for example, in that same act, the 3(d) section on career guidance and counseling emphasized.

I think there is more to training for work and preparing people for the world of work than just a job, the training that they go through. It is having these people prepared so they know about what the jobs are, how to go to work, as you mentioned earlier, what to do, how to prepare for it, how to make appropriate vocational decisions, how to plan for careers. They have to have career information. I would emphasize that that dimension of vocational education and training be emphasized more at the local level.

I think also there are existing models across this country of how PIC's operate and others that are unique successes. Maybe the best practices of these different models should be disseminated, that information, so other people could model after these good practices of coopration between industry and education.

Senator DODD. Thank you.

Dr. Struck.

Dr. STRUCK. I think Dean Griffin outlined very well the major differences between the structure of vocational education and JTPA. One has a great deal of State and local money in it and the other is mostly Federal money, and it does cause these problems between jurisdictions and management.

The key to making the thing work lies at the local level, getting people to work together. I am not sure it can be done by legislation. I would strongly recommend that this committee that is going to make the study emphasize the importance of requiring in some way that these various agencies do work together, do understand each other's goals, and supplement each other to achieve the needs for all individuals.

Senator DODD. Thank you very much, and I apologize for the length of that question.

Thank you, Mr. Chairman.

Senator QUAYLE. Thank you, Senator Dodd, and thank you very much to the panel.

In the interest of time, I am going to combine the last two panels because I have to leave here by 11:30.

We will hear from Mr. Cornett, Dr. Romero, Ms. Stratton, Mr. Niemann, and Ms. Marano.

Mr..Cornett, director, Missouri Division of Employment Security.

Please proceed.

STATEMENT OF C. BRUCE CORNETT, DIRECTOR, MISSOURI DIVISION OF EMPLOYMENT SECURITY, JEFFERSON CITY, MO; DR. CAROL ROMERO, ACTING DIRECTOR, NATIONAL COMMISSION FOR EMPLOYMENT POLICY, WASHINGTON, DC; CATHERINE N. STRATTON, ASSOCIATE SECRETARY FOR ECONOMIC AFFAIRS, OFFICE OF TRAINING AND EMPLOYMENT POLICY, COMMONWEALTH OF MASSACHUSETTS; BARRY R. NIEMANN, CHAIRMAN OF THE BOARD, TIGORE SYSTEMS AND ASSOCIATE MEMBER, NATIONAL ASSOCIATION OF PERSONNEL CONSULTANTS, CARMEL, IN, AND CYNTHIA E. MARANO, EXECUTIVE DIRECTOR, WIDER OPPORTUNITIES FOR WOMEN, WASHINGTON, DC

Mr. CORNETT. Chairman Quayle, thank you for the opportunity to offer testimony in regard to Senate bill 1990. For 12 years, I have been associated with employment and training programs from MDTA to CETA to Employment Security to JTPA. I have heard people from all levels of all sectors talk about the need for more coordination and less duplication.

And while everyone has been working on minimizing the problem, I have not yet seen any significant improvement, and until we examine the issues that have created some of the duplication, we probably will not have much success.

Before discussing what I feel are some of the underlying causes of the duplication that have not been addressed, I would like to bring forth some questions of concern that need to be considered in the examination of the concept presented in S.1990.

The proposed legislation creates an education and training partnership, but it is important to realize that under the Wagner-Peyser Act, States 'employment services have no specific or direct responsibility for either training or education.

While it is important for vocational education to take advantage of the resources available through employment services, it is also important to remember that by law, veterans must be given preference for referral to employers' job orders. This veterans' preference limits to a degree the ability of the employment service to give a priority to other job seekers whether they are vocational education graduates or JTPA-eligibles.

In addition, there must be some concern regarding the flow of funds under the proposed legislation. Since the Social Security Act of 1935 that created the Nation's unemployment insurance system, the employment service along with each State's employment insurance operation has been funded by a specific Federal tax, the Federal Unemployment Tax Act, or FUTA, that creates a trust fund for the specific purpose of providing resources to the nation's employment security system.

The method by which these funds would be separated in the future would require a great deal of forethought in order to prevent losses of productivity, cost savings, and basic labor market data.

While the above are issues to be seriously considered, they should not prevent us from continuing to explore ways in which we can make each of the three programs covered in S.1990 be more productive, with less cost to taxpayers.

Earlier, I mentioned that there were some underlying causes for less coordination than perhaps there should be. One of the major problems from my perspective is that for years, the performance of vocational education has been judged by the number of their graduates that have been placed in jobs related to the vocational education training they have received. As a result, to ensure that their performance is acceptable, vocational education has been forced to create placement systems in their schools. These systems have duplicated other systems created by JTPA and especially those systems of the employment services.

This is not a criticism of vocational education. Anyone placed in that position would respond in the same manner. However, we must begin to think about judging the quality of vocational education on competency tests for their graduates and then let the placement record serve as a guide as to whether or not specific classes should be continued.

In Missouri, we have begun to address the duplication of placement services between vocational education and employment security. Accepting the hypothesis that a placement effort operated only as an adjunct to the total vocational education program cannot be as cost effective as the placement service operated as a major responsibility of employment security, we are bringing together the two efforts.

With Governor Ashcroft's 10 percent section (b) funds of Wagner-Peyser, we now have four employment service placement technicians acting as placement personnel in seven Missouri area vocational technical schools.

Because of technology improvements, each of the employment service technicians is assigned a portable terminal that needs only a telephone and a 110 power outlet in order to access our mainframe-based automated placement system. This means that during a year's time, vocational education students in these given schools have access to over 170,000 job openings produced by the basic employment service system.

We feel certain that by taking advantage of the economies of scale provided by employment security, by taking advantage of the Nation's most advanced automatic paperless placement system, we can find employment for vocational education students in a much more cost-effective manner than the placement services provided only by the school.

Again, I would emphasize that this is not a criticism of vocational education placement. They have done the best job possible under the circumstances provided, but they should not be able to compete with the employment service. If it takes vocational education $1 to make a placement, the employment service should be able to do it for less. If that is the case, why doesn't vocational education play employment service to provide placement and then use the extra money in the classroom?

New legislation should provide incentives for bringing together the systems, letting each one specialize, and then cross-contract to take advantage of the specific expertise and economies of scale.

In short, let educators educate. Let placement professionals make placements.

I hope my brief comments provide some food for thought.

Thank you.

Senator QUAYLE. Thank you very much, Mr. Cornett.

Next, Dr. Carol Jusenius Romero, Acting Director of the National Commission for Employment Policy here in Washington.

Dr. Romero?

Dr. ROMERO. Thank you and good morning, Mr. Chairman.

I am an economist and Acting Director of the National Commission for Employment Policy. As you know, the Commission was first formally established in 1973. The Commission's legal charter was renewed in 1982 under the Job Training Partnership Act under your leadership, Senator Quayle, and with the support of this subcommittee.

The Commission is an independent Federal Government agency assigned the responsibility of advising the President and the Congress on broad issues of national policy affecting employment. Fifteen volunteer commissioners are appointed by the President, generally for 3-year terms. They represent business, State and local government, labor and education.

Let me now turn to the topic of today's hearing. My testimony is drawn from the body of Commission research over the last several years. Let me summarize as briefly as possible.

Many changes are occurring in the American workplace due to technology, global competition and other factors. Our work documents the increasing importance of education and training to the economic well-being of this Nation as these changes continue.

How to achieve improvements in the education and training of our work force in an era of tight budgets is the real question. This is where better coordination in the delivery of services is critical.

But first, there are three crucial priorities in the Nation's education and training systems as we consider S.1990, and as we approach the 1990's.

First, basic academic and communication skills will be even more important in the future.

Second, adults as well as youth must be considered when reviewing education and training.

Third, special attention must be given to the needs of the poor, minorities and displaced workers.

As we consider ways of improving communications within and among Federal agencies, it is imperative to judge each specific proposal first on the likelihood that it will achieve the real purpose of coordination—that is, will it improve the delivery of education and job training services at the local level?

Second, specific proposals should be carefully reviewed for the possibility of unintended adverse consequences.

Let me highlight two promising areas for Federal discussion. First, clarifying common goals among programs. Since successful coordination tends to blur distinctions among programs, Federal policymakers need to define carefully both common goals and remaining differences in program goals.

Another productive area for discussion involves administrative incentives for local coordination: the detailed definitions, reporting requirements and operating practices that determine the operating environment and how much "credit" an agency receives for certain behavior.

Finally, although we do not have much evidence on the impact of national-level, private sector involvement in Federal job training programs, we have described in my written testimony a few management characteristics of decentralized private companies as a way of projecting the kinds of changes that might be anticipated.

Thank you for this opportunity.

Senator QUAYLE. Thank you very much, and your entire written testimony will be made a part of the permanent record.

Ms. ROMERO. Thank you.

[The prepared statement of Dr. Romero follows:]

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TESTIMONY

OF

DR. CAROL JUSENIUS ROMERO

ACTING DIRECTOR

OF THE

NATIONAL COMMISSION FOR EMPLOYMENT POLICY

BEFORE THE

SENATE SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY

ON

S.1990

THE EDUCATION AND TRAINING PARTNERSHIP ACT

TUESDAY, FEBRUARY 25, 1986

WASHINGTON, D.C.

Good morning, Mr. Chairman and members of the Committee. I am Dr. Carol Jusenius Romero, an economist and acting director of the National Commission for Employment Policy. Our chairman, Gertrude C. McDonald, deeply regretted that she could not personally respond to your invitation to testify because of scheduling problems. She asked that I convey her warmest wishes for your success in this important endeavor.

As you well know, the National Commission for Employment Policy was first formally established by the Comprehensive Employment and Training Act in 1973. The Commission's legal charter was renewed in 1982 under the Job Training Partnership Act under your leadership, Senator Quayle, and with the support of this Subcommittee.

The Commission is an independent Federal government agency assigned the responsibility of advising the President and the Congress on broad issues of national policy affecting employment. Fifteen volunteer Commissioners are appointed by the President, generally for three year terms. They represent business, state and local government, labor and education.

Let me quickly describe the kind of work the Commission does for those who may not be familiar with it. Generally, the Commission first identifies an employment related issue that it wishes to investigate. Then it conducts its investigation by reviewing existing research, sponsoring new research to fill in the gaps in knowledge, holding hearings and discussions with experts and making site visits. All the information is synthesized in a staff report. The Commission then adopts statements of policy advice which are submitted to the President and the Congress.

During its first years, the Commission focused its recommendations on the labor market problems of particular groups in the labor force, such as youth, women, dislocated workers, older workers, Hispanics, and so forth. A few years ago our major focus changed -- toward analyzing changes in the workplace, particularly those changes brought about by technological advances and international competition. This new effort is designed to complement the work previously done. We will be publishing a report on computers in the workplace within the next several weeks, and I will be sure to forward a copy to you as soon as it is available.

A list of the current Commissioners and further background on the Commission itself are attached to my testimony for your information.

Let me turn now to the topic of today's hearing. As you stated the central question, Senator Quayle, we are here today to discuss "whether it is desirable to improve communications among Federal agencies with related responsibilities and increase private sector involvement at the Federal level."

S. 1990, the Education and Training Partnership Act, is a specific proposal based on the assumption that the answer to that question, simply, is "yes." By making a specific proposal, you and Senator Kennedy have focused national discussion on how to improve Federal level coordination in the administration of three programs, the Job Training Partnership Act, the Job Service, and Federal assistance to vocational education.

My testimony today is drawn from the body of Commission research over the last several years. First, I will highlight a few of the reasons why coordinated programming is increasingly important. Second, I will raise a few key issues involved in the effort to improve communication at the Federal level. Finally, I will identify several management characteristics of highly decentralized private companies as a way of suggesting the kinds of changes that might result from adding a private sector role to Federal program administration in this area.

WHY IMPROVE COORDINATION?

As I mentioned earlier, the Commission is engaged in a multi-year study of changes in the American workplace. We are about to issue the first phase report, which focuses on the impact of computers on the workplace, and we are currently examining the interaction between employment and training policies and the Nation's competitiveness in the international marketplace. Our work documents the increasing importance of education and training to the economic well-being of the Nation. How to achieve improvements in the education and training of our workforce in an era of tight budgets is the question. This is where better coordination in the delivery of services -- making better use of existing funds -- becomes critical. But first, let me describe some of the ways in which we need to be thinking about the goal of improved education and training as we approach the 1990s.

The American workplace is changing dramatically. It is impossible unambiguously to isolate the effects that any one cause of change, such as computers, is having on jobs. Other forces are operating simultaneously in the economy and are also affecting the number and types of employment opportunities. For example, changes in patterns of world trade are affecting the number of jobs that exist and in which industries they are found.

Whatever the cause of the change, however, we know that the economy is changing. Service jobs are increasing, and traditional manufacturing jobs are growing very slowly. The number of jobs that require minimal skills is decreasing. The number of job changes Americans can expect to make during their working lives is probably increasing.

What implications do these facts have as we consider how we prepare people for the workforce?

Basic Skills

First, basic academic and communications skills, already crucial to success in the labor market, will be even more important in the future.

From our research into the labor market problems of particular groups, basic skills deficiencies emerged again and again as a significant factor. Moreover, our recent report on the impact of computers on the labor market reveals the continuing and growing significance of basic academic skills.

Specifically, while "computer literacy" is useful and computer-specific technical training must be of the highest quality, our priority in preparing the majority of Americans for the world of work must be the basics -- reading, writing, math and communications.

"Trainability" will continue to be a major criterion for hiring new employees and retraining current workers. Basic skills are at the heart of "trainability." Further, the new technology we see today will be superceded by even newer technology, and the ability to adapt to new conditions will also require mastery of the basic skills.

Adult Education and Training

The second major implication of the Commission's work deals with both the way jobs are changing and the probability that adults will be changing jobs more frequently in the future. We cannot look at education and training solely as youth issues. Adults increasingly need either to learn new occupations or to adapt to new equipment in jobs they are already performing.

Most adults in the workforce are generally well educated, according to standard measures of educational attainment. Almost 85 percent have high school diplomas and almost 25 percent have four or more years of college.

Despite this generally optimistic picture, there are some groups of adult workers who are likely to continue to have employment problems as computers and other workplace changes spread.

First, changes in the workplace will continue to displace workers over the coming years although precisely how many displaced workers there will be -- and where they will be located -- cannot be projected with certainty. Some industries and areas of the U.S. may experience a disproportionate amount of both layoffs and dislocation; others may experience layoffs without workers becoming displaced because there are job openings elsewhere in the local economy; and still other industries and areas may experience slow growth, but neither layoffs nor dislocation. It is certain that there will be a substantial number of displaced workers who need some sort of help in finding work.

Second, there are adults who are "functionally illiterate," and some of them are displaced workers as well. While there is no standard definition of "functional illiteracy," we can estimate that between 13 and 25 percent of persons 15 or older may be functional illiterates, as measured by an inability to use written materials and forms common in daily life, such as applications for credit cards and drivers' licenses. The problem is greatest among those groups with disproportionately little formal schooling: blacks, Hispanics, or older workers in general.

Other adult workers likely to continue to have employment problems are those who face financial or other barriers to entering adult education and training programs. Adults least likely to take training are those not doing well in the job market, including some who may be employed in low wage, "dead end" jobs.

Special Needs

The Commission has also examined the question of whether schools and young people are flexible enough to respond to the on-going, essentially unpredictable changes in the kinds of jobs available. Generally speaking, our findings are very encouraging.

An increasing proportion of young people complete high school. Despite declining college enrollments because of the movement of the baby boom generation, the proportion of young people enrolled in college has remained at about 20 percent for the last twenty years or so. Further, young people entering and already in college tend to be flexible in their educational goals: they generally respond to perceived changes in employers' demands. And the educational institutions have generally been able to keep up with that demand.

There is one important exception to this good news. Disadvantaged youngsters and those who are denied access to training because of, for example, race, are likely to be doubly disadvantaged: they are more likely not to have the basic skills to shift their course of study as labor market demand shifts.

While the number of all young people is declining, the number and proportion of minority youth are increasing. Minority youth will account for 19 percent of all 16 to 24 year olds nationally by the mid 1990's, up from 16 percent in 1981.

This is an important change when one is assessing whether or not young people will have the basic skills necessary to success in the labor market.

The proportion who have a high school diploma has often been used to measure those who have basic skills -- an approach which begs the more difficult issue of the quality of education. About 85 percent of young people now complete high school. However, there are wide variations among race and ethnic groups: close to 90 percent of whites, under 75 percent of blacks, and a little over half of Hispanic youth obtain a high school diploma by age 24. These differences would indicate that black and Hispanic youth are going to continue to be at a disadvantage in seeking jobs requiring basic skills -- obviously an increasing proportion of available jobs, especially "good" jobs.

In summary, there are three crucial priorities in the nation's system for preparing people for the world of work:

- o the overriding importance of basic academic skills
- o the importance of considering adults as well as youth in reviewing education and training
- o the need for special attention for the poor, minorities and displaced workers.

COORDINATION ISSUES

Today's discussion builds on a process that this Subcommittee began with the enactment of the Job Training Partnership Act, amendments to the Wagner-Peyser Act, and the Carl D. Perkins Vocational Education Act. In its work on each of those bills, this Subcommittee is to be commended for moving toward a national employment and training system with clear, simple performance goals; a stable delivery system; a reasonable, stable funding level; clear responsibilities for Federal, state, and local governments; and a strong partnership role for the private sector.

Many of the Commission's past recommendations were incorporated in those bills. For example, amendments to the Wagner-Peyser Act and the Carl D. Perkins Vocational Education Act required coordination with JTPA roughly parallel to similar requirements in the job training program. Such changes directly respond to prior problems arising from "one-way" requirements for coordination with other programs and agencies. Your work has resulted in a sound legislative base for improved coordination of these important programs.

As we begin the next phase of discussion, let us recall that the basic purpose of coordination, whether at the local, state, or Federal level, is to improve the delivery of services to people in need of them. Changes in administrative structures, procedural or program requirements at any level should be considered in light of the goal of improving services, bearing in mind the possibility that changes can have unintended consequences. "Coordination" at the local level can sometimes be a mere reshuffling of costs and responsibilities, not an improvement in service.

Background

It is generally agreed that prior to the recent legislative changes, education, employment, training, and human resource programs operated with only limited linkages. During 1981 in preparation for the development of the Job Training Partnership Act, the Commission sponsored a number of studies focused on policy questions of coordination.

A study by Ketron, Inc. examined the barriers to coordination in the law and regulations of the Comprehensive Employment and Training Act, Adult Education Act, Food Stamp Act, Wagner-Peyser Act, Older Americans Community Service Employment Act, Vocational Rehabilitation Act, and the Social Security Act (Aid to Families with Dependent Children) Unemployment Insurance, Work Incentive Program, and Title XX social services). A number of specific reasons for the lack of local program coordination were identified:

- Lack of standardized planning cycles and planning areas.
- Lack of decision authority for local managers to make agreements with each other.

- Lack of knowledge of other programs, plans, and resources.
- Animosity created by lack of reciprocal coordination requirements.
- Difficulties created by differing means tests for program eligibility.
- Budget cutbacks that reduce cooperation and lead to unrelated efforts to preserve existing staff levels.
- Different goals.
- Differing performance standards and accountability rules.
- Differing recordkeeping and reporting requirements, cycles, and definitions.

The Ketron researchers made three important general points: (1) Any benefits from coordination or consolidation may be offset by neglect of groups now targeted by specific programs who could be less well served; (2) no empirical research exists on the size of the efficiency gains to be expected from coordination; (3) if programs have administrative responsibility for "their" clients, little can be gained from coordination in terms of overall effectiveness of the system, although costs may be shifted among programs.

A study for the Commission by the U.S. Conference of Mayors that focused specifically on vocational education linkages with job training programs concurred with many of these findings. Differences among client groups, matching requirements, program jurisdictions, planning and funding cycles, and basic program mandates were all cited as factors that interfered with close cooperation among administrators of the two programs.

A third study by Kappa Systems, Inc., examined the problems and benefits associated with a continuum of consolidation options involving job training programs, the Job Service, the Work Incentive Program and vocational education. Various potential consolidation options were dismissed as unlikely by State and local program operators because of difficulties involving: (1) staffing problems stemming from civil service regulations and differences in pay scales, job titles and job descriptions, (2) lengthy conversion time required for changing reporting processes, (3) political problems inherent in altering the present balance among the various programs and agencies (potential turf battles), (4) institutional biases on the part of staff that cannot be quickly overcome and (5) problems of scale leading to unwieldy program administration.

JTPA and the Carl D. Perkins Vocational Education Act directly addressed some of the perceived Federal barriers to local coordination. For example, the introduction of the JTPA program year put JTPA, vocational education and the Job Service on the same planning cycle. JTPA's private

industry councils are now mandated to have a role in local planning for all three programs, state councils have overlapping membership, and each program now has at least some legislative requirements for information-sharing or direct program coordination.

We do not yet know the full impact of the changes you have already legislated, however. Federal and state implementation of the vocational education and Wagner-Peyser changes are only now fully taking shape. We do know from the "Independent Assessment of the Implementation of the Job Training Partnership Act," which the Commission co-sponsors with the Ford, Rockefeller and Clark Foundations, that JTPA service delivery areas as a whole are off to a great start in terms of coordination with welfare agencies but have not made substantial changes yet in coordination with education, Job Service, or economic development activities.

After reviewing these facts, it seems to us that there is room for greater communication at the Federal level in two specific areas: careful definition of the common goals of the programs and the development of administrative incentives for improved coordination.

Goals of the Programs

Clearly, the Job Service, JTPA, and vocational education have similar labor market goals. All three are designed to help participants find productive, self-supporting employment.

However, there are important differences in their legislative mandates. JTPA Title II-A, for example, is directed to work primarily with the poor to achieve increased income and decreased welfare payments. Both Job Service and vocational education are, by design, open to the broader population and do not have comparably specific legislative goals. Since JTPA Title III programs work with displaced workers, many of whom had substantial seniority, the goal of increasing participant's income may be unrealistic compared to income replacement.

Since coordination may be accomplished at the expense of Distinctions among programs, national efforts to improve coordination of these programs must be built upon very careful delineation of common goals and remaining differences.

The Commission would certainly support movement in program goals toward two key national priorities: 1) strengthened emphasis on the use of Federal funds to improve access to training for underserved and disadvantaged groups -- the poor, minorities, and dislocated workers; and 2) greater emphasis on basic academic skills in labor market programs as well as in education.

Given the importance of basic skills, it may be useful to consider secondary vocational education separately from the post-secondary system, since preparation for employment is only one purpose of education. Again, because of the importance of basic skills and the expectation that adults will need those skills to accommodate more frequent job changes, adult basic education should be part of your deliberations.

Administrative Incentives to Coordination

As you know, some local areas are blessed with gifted leaders, excellent existing programs, dedicated community support or some other special circumstances that insures coordination almost in spite of the Federal government. At the other end of the spectrum are some few communities whose problems seem insurmountable. For most communities, however, research tells us that, given comparable program goals, certain factors discourage coordination and others encourage it.

On one hand, declining funding levels and strong accountability provisions both generally make it more difficult to coordinate service delivery.

For example, when funds shrink, many organizations become self-protective, attempting to preserve their own staff and competing with comparable groups for other sources of funds.

Strong accountability for employment and training program performance also tends to encourage withdrawal from cooperative ventures. When agencies are held accountable in terms of the characteristics of the people they serve, they do not want to share intake and counseling duties. When agencies are accountable for outcomes, they are reluctant to relinquish control of training and placement duties.

On the other hand, the most effective tool for promoting coordination is the use of administrative incentives for the desired behavior. In other words, seemingly technical details can determine whether agencies will work together. At worst, those details can prevent desired coordination; at best, those details can throw potentially hostile groups into each other's arms.

Administrative incentives can be broken into at least two groups: those which define the environment in which an agency operates, and those which affect the awarding of "credit" to an agency. The first group of incentives might include factors that this Subcommittee addressed so directly in JTPA, such as the timing of planning cycles and the period for which plans are prepared. The second group of incentives is likely to be even more powerful. "Credit" for an agency's success may be awarded in terms of the amount of funding received in future years, for example, or by relaxing certain paperwork requirements.

Since increased accountability and shrinking funds are likely to characterize the education and training scene in the foreseeable future, Federal communication and coordination in creating offsetting administrative incentives is even more important.

PRIVATE SECTOR ROLE

Although all of us meeting together today would probably agree that a more businesslike approach to the management of Federal programs is desirable, there is not actually a body of research to document that common sense conclusion.

The Commission-sponsored "Independent Assessment of the Implementation of the Job Training Partnership Act" found strong positive opinions among many local decision-makers that private sector involvement has improved job training programs. In particular, local respondents point to programs' improved local image and much greater emphasis on outcomes, particularly high placement rates and lower costs. However, we have not yet observed significant differences in local program decisions made by service delivery areas with dominant versus relatively weak private industry councils.

Prior to the enactment of JTPA, the Commission asked Booz-Allen and Hamilton, Inc., to examine decentralized management practices in the private sector that might apply to Federal management of employment and training programs. The results are suggestive of the kinds of changes private sector executives might propose at the national level now.

The study found that private firms put enormous emphasis on the establishment of, and adherence to, clear congruent goals and objectives and on tying their fiscal and management systems to those specific goals.

The private sector also stressed the importance of receiving frequent, accurate, and objective reporting of both performance and financial data. The more decentralized the private sector corporation was, the more emphasis was placed on frequent reporting. A review of the reporting requirements also indicated that they were generally comparable in complexity to those required by job training programs of that time, although they appeared to be considerably more focused on obtaining key data items. "Built-in" data collection was the norm for private firms, however, with standardized, automated reporting providing useful information with a minimal reporting burden on field operating units.

Annual audits were required in those private sector firms examined, in contrast to biannual auditing under the job training system. The private sector also made use of dual reporting systems in which information was directed simultaneously to company auditors and local managers.

Private firms with franchises placed great stress on providing on-site technical assistance through company representatives. Whenever sanctions were applied, it was the practice for upper level management to perform that task.

The private sector placed far more stress on rewarding superior performance by psychological motivation and incentives to managers than did the public programs. Although monetary rewards may be a potent force in the private sector, other practices frequently mentioned in the study were:

- Making field managers feel important by stressing their special reporting relationship to top corporate management.
- Recognizing field managers who were top producers and who achieved operating goals.
- Creating career paths to allow successful managers to advance to corporate positions.

Summary

In summary, there are at least three important reasons for attempting to improve communication among and within Federal agencies responsible for administering labor market programs.

- Changes in the American workplace brought about by technology, global competition, and other factors have clear implications for the growing importance of basic academic skills. Therefore, in setting goals for education, vocational education, and job training, we must find ways to emphasize basic education. We must work effectively with students or trainees who may resist anything that they perceive as going back to school, and we must convince many trainers and vocational educators of the need to take on the responsibility for remedial education.

- Adults will be changing jobs more frequently than in the past. Thus, adults as well as young people must be considered in designing effective education and training programs.

- Changes in the workplace will continue to displace some workers and could reinforce problems of education and training deficiencies that minorities and the poor experience. Therefore, the national role in this system must continue to include special attention to the needs of the poor, minorities, and displaced workers.

As we consider ways of improving communications within and among Federal agencies, it is imperative to judge each proposal, first, on the likelihood that it will achieve the real purpose of coordination. That is, will it improve the delivery of education and job training services at the local level? Second, proposals should be carefully reviewed for the possibility of unintended adverse consequences.

In this testimony, I have tried to highlight two promising areas for Federal discussion. Since successful coordination tends to blur the distinctions among programs, Federal policy-makers need to define carefully both common goals and remaining differences in program goals. Another productive area for discussion involves administrative incentives for local coordination -- the detailed definitions, reporting requirements, and operating practices that determine the operating environment and how much "credit" an agency receives for certain behavior.

Finally, although we do not have much research evidence on the impact of private sector participation on Federal program administration, we have described in this testimony a few management characteristics of some highly decentralized private companies as a way of projecting the kinds of changes that might be anticipated.

Thank you for the opportunity to testify. I will be happy to answer any questions you may have.

Senator QUAYLE. Next, Ms. Catherine Stratton, associate secretary of economic affairs, Office of Training and Employment Policy of the Commonwealth of Massachusetts.

Senator Kennedy wanted to be here, but unfortunately has another commitment. But he did want to convey his best wishes to you and looks forward to reading your testimony.

Ms. Stratton?

Ms Stratton. Thank you, Mr. Chairman.

Let me begin by thanking you for your exceptional contribution to training and employment policy in this country.

The leadership that JTPA created affected fundamental reform of our job training system.

The proposed partnership is the logical next step toward insuring that our education and training system becomes a central element for our future economic growth strategy.

Unhappily, unlike our allies in Europe and Japan, the United States has consistently viewed human resource development as a purely social, even philanthropic, strategy to bring our poorest citizens into the economic mainstream. As important as this objective is, it cannot drive the kind of institutional change, material investment and public support that will be required if we are to equip America's work force with the education and skills demanded by a vigorous, knowledge-based economy. This bill, at long last, puts employment policy on the national agenda. The bill recognizes that human capital formation is larger and more complex than the mandate of any one department or secretariat, and that the conventional distinction between education and training is now obsolete.

Before commenting on the specifics of the bill, let me first describe a little of what we are trying to do in Massachusetts so you can better appreciate the practical applications of the bill.

To capitalize on our State's economic prosperity and 3 percent unemployment rate, we have set a goal to create a decentralized, full-service system that provides education, training or a job for every man or woman who wants to work. We are devising a one-step flexible system that is easily accessible to both the jobseeker and the employer, that meets the special needs of Massachusetts and is not simply a byproduct of Federal legislation.

Using JTPA and the Employment Service as the basic infrastructure, we are creating something that we have called Mass Jobs. The key to this system is the Private Industry Council, which acts as a board of directors both for the Employment Service and the Service Delivery Area. The PIC sets overall policy and allocates resources, establishes performance goals, and measures the outcome and the qualities of both the Employment Service and the SDA. In addition to this, the Massachusetts Private Industry Councils administer over $15 million of non-JTPA money, including welfare, refugee funds, handicapped, education, corporate and foundation moneys.

Over the next 2 years, we expect the Private Industry Councils to evolve into strong regional labor market boards whose targets go well beyond the narrow bounds of job training. School reform, corporate daycare, transportation, housing, local economic development and adult literacy are subjects of concern to every PIC.

This is our vision for the future. We have made marked progress in the past few years, but despite our best efforts, despite the creative, even ingenious work of our top technicians, we have been unable to overcome the hurdles imposed by Federal administration. The absence of a shared mission and integrated national plan of action for every Federal agency involved in education and training has a destructive impact at the State and local levels. Conflicting priorities make it difficult for State agencies to mobilize their resources effectively. Worse, the administrative requirements imposed by isolated Federal bureaucracies threaten to overwhelm our most skilled managers.

To create a smooth continuum of education and training services for clients, administrators must be ready to package complex financial deals. They must be able to plan, manage and evaluate a score of grants, each with its own planning cycle, reporting system and financial requirements.

A strong Governor like Mike Dukakis can set the tone and facilitate the deal making, but he cannot work Federal miracles. What is critically needed is the powerful Federal group—call it a national labor market, a partnership, a Private Industry Council—that can mobilize and drive America's investment in human capital.

We believe the partnership proposal is a good start, but it does not go far enough, and we urge you to take this opportunity to strengthen and expand the scope of the bill.

Let me give three specific recommendations. First, the Board membership. Keep the Board small, no more than 15, but make it consistent with the PIC model from which employer representatives are the majority. Business is the ultimate consumer of the system. In the future, business must be challenged to play a far greater role in its planning, oversight and financing. In particular, the cost of work force preparation and retraining must be equitably shared with employers. And if they are to pay for it, they deserve a greater voice in governance.

We also believe it is essential that States be represented on the Board. They are the principal underwriters of work-related education. They set the policy that drives job training and labor exchange, and as Federal funds evaporate and Federal leadership devolves to Governors, it is critical that their interests be heard at the national policy table.

Second, we believe the scope of the Board's authority should be expanded substantially. Given the potential power that the partnership could have in directing the preparation and retraining of the Nation's work force, we believe the Board's purview must be enlarged to include employment related tax credits, Federal adult education, apprenticeship, refugee training, and the Work Incentive Program. These programs are integral components of every State and local area strategy to deliver comprehensive services. We cannot create a holistic or seamless system if we continue to draw artificial lines between education and training or along institutional boundaries that describe and too often stigmatize the client.

The partnership's success will depend on its capacity to develop an over-arching strategy that creates a whole out of these fractured pieces.

Third, we recommend strengthening the role of the partnership. Our principal concern is that the education and training partnership lacks sufficient teeth to affect institutional or administrative reform. If we wanted to delegate its grantmaking authority, it is likely to become largely ceremonious. The bottom line here is the Board must be able to change how things work.

During the past 2 years, we have looked at many options in the United States and Europe, and we strongly urge that this subcommittee examine the models used in Sweden and Germany of semi-autonomous boards, or even a national authority to administer such programs: considering giving the board more autonomy and flexibility by exempting it from Federal planning, reporting, and management requirements; allow it to pool Federal and non-Federal funds and contract with private providers to enhance the efficiency of the system; give it the power to use discretionary funds as incentive for coordination. It should be able to give waivers to States to establish comparable oversight boards or match Federal funds with State or corporate dollars.

In our written testimony, we have listed a number of specific functions but at a minimum, we believe the board must be responsible for setting long-range policies, defining outcome, and evaluating the performance of the institutional players of the national system.

The kind of fundamental change we envision will take time, tenacity, and thoughtful planning. But we believe the education and training partnership will contribute substantially to these efforts and will signal a sustained and far-reaching commitment to America's workers. Certainly, S. 1990 will spark the kind of constructive and creative discussion needed to formulate a coherent national employment policy and an effective administrative structure.

Thank you.

Senator QUAYLE. Thank you very much.

[The prepared statement of Ms. Stratton follows:]

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National Governors' Association

Lamar Alexander
Governor of Tennessee
Chairman

Raymond C. Scheppach
Executive Director

STATEMENT OF

CATHERINE N. STRATTON
ASSOCIATE SECRETARY OF ECONOMIC AFFAIRS
OFFICE OF TRAINING AND EMPLOYMENT POLICY
COMMONWEALTH OF MASSACHUSETTS

ON BEHALF OF

THE NATIONAL GOVERNORS' ASSOCIATION

before the

SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY
COMMITTEE ON LABOR AND HUMAN RESOURCES
UNITED STATES SENATE

ON

EDUCATION AND TRAINING PARTNERSHIP

February 25, 1986

HALL OF THE STATES · 444 North Capitol Street · Washington, D.C. 20001-1572 · (202) 624-5300

Good morning, my name is Catherine N. Stratton. I am Associate Secretary of Economic Affairs in Massachusetts. I am pleased to have this opportunity to present testimony on behalf of the National Governors' Association in support of S.1990, a bill that would establish a federal Education and Training Partnership.

Let me begin by acknowledging Senator Quayle's amd Senator Kennedy's important contribution to employment and training policy in this country. Through their leadership in formulating the Job Training Partnership Act, they have brought about a much needed fundamental change in the governance of our nation's employment and training delivery system. The private sector and states now have significant powers and responsibilities in the planning, management and oversight of federally-supported training and employment activities. The proposed Education and Training Partnership Act is a logical next step in building an employment and training system which moves away from a social welfare orientation to one that is better able to meet our nation's changing economic needs in the years ahead.

Unlike our allies in Europe and Japan, the United States has consistently viewed human resource development as a purely social -- even philanthropic -- strategy to bring our poorest citizens into the economic mainstream. As important as this objective is, it cannot drive the kind of institutional change, material investment and public support that will be required if we are to equip America's workforce with the education and skills demanded by a vigorous, knowledge-based economy. This bill -- at long last -- puts employment policy on the national agenda. It recognizes that labor force and workplace issues transcend any one department or secretariat, and that the conventional distinction between education and training is now obsolete.

The proposal to create a national partnership clearly builds on the positive experiences we, at the state and local levels, have had in nurturing viable and productive public/private partnerships around education, training and employment issues. Since we understand from first hand experience the importance of meaningful private sector involvement in the conduct of work-related programs, and because we firmly believe that greater coordination at the national level is needed between the various delivery systems involved in work-related education, training, and labor exchange activities, we urge you to take this opportunity to both strengthen and expand the scope of your proposal. We have several suggestions regarding how this might be accomplished.

Expand Programmatic Scope of Partnership

First, given the potentially significant role the national Partnership might play in redirecting our nation's employment, training, and education for work efforts, we believe it is important for the Partnership to have a broader programmatic scope than proposed. We suggest that the Subcommittee consider placing any employment-related tax credits, federal adult education, apprenticeship, refugee training, and Work Incentive (WIN) program activities under the Partnership. These last three programs are integral aspects of the federal response in this area and are the focus for much of the coordination activity with the work preparation systems at the state and local levels. The absence of a shared mission and integrated national plan of action for these programs has a destructive impact at the state and local levels. Conflicting priorities make it difficult for state agencies to mobilize their resources effectively to create a smooth continuum of education and training services

for clients. The partnership's success will depend on its capacity to develop an overarching strategy that creates a whole out of all these fractionated pieces.

Strengthen Role of the Partnership

Our principal concern about the education and training partnership is that the Board lacks sufficient teeth to effect institutional or administrative reform. If allowed to delegate all but its grant approval authority back to the respective departments, its role is likely to become largely ceremonial. The bottom line here is that the Board must be able to change how things work.

During the past two years, I was one of a number of public and private members of the JTPA partnership from several states to have had the opportunity to visit several European countries to learn more about their employment, training, and education for employment programs. In the countries we visited, I was struck by the long-term, solid commitment of both the public and private sectors at the national and subnational levels to support quality training, retraining and other programs to facilitate the movement of workers in the labor market. The European-type partnership cannot, and probably should not, be replicated here because of differences in the historical milieu from which their training systems developed, differences in the way their services are financed and differences in the structure of their labor markets. Yet, in some ways, their experiences are instructive for our current discussion.

In Germany, for instance, the national training and employment agency is a semi-autonomous, quasi-governmental entity funded by employer and employee contributions supplemented as required by the federal government. Operating within the construct of the federal intergovernmental system, the tri-partite board is given wide discretion to carry out its mission including setting its own budget and assuring the quality of services it provides.

In the same vein, the Subcommittee may wish to provide the Partnership considerable autonomy in carrying out its mission by exempting it from certain federal planning, reporting, and management requirements. It may also want to consider giving the Partnership the authority to pool federal and non-federal funds so as to broaden the base and expand the scope of services beyond those targeted by the federal government. Private sector contracting might be utilized, where appropriate, to enhance service delivery efforts.

The Board also could employ federal-state matching arrangements to promote the development of comparable coordinated systems at the state and local levels. Moreover, the Board should be given the authority to grant waivers to states, to the extent possible, from federal planning and reporting requirements and contracting procedures so that states are afforded maximum flexibility to integrate the administration and delivery of services.

We believe that the Board must be made responsible for setting policy, allocating resources, defining outcomes and evaluating the performance of the institutional partners in a national system. It must be empowered to serve as a catalyst for improved coordination between the different parts of the system.

At a minimum, the Board might be mandated to:

-- develop an annual plan for the use of national discretionary resources under the various acts and report back to Congress on how the resources were used to promote coordination between the different parts of the system or further other goals articulated by the Board.

-- ensure uniformity in participant eligibility criteria and definitions among the various agencies to facilitate provision of client services and to add validity to outcome comparisons of various intervention strategies.

-- define outcome measures and standards based on employer and others' expectations for the various work-related programs under the Partnership.

-- study options for the long-term financing of employment, training and education for employment activities.

-- study ways to improve the quality of Labor Market Information, especially for such areas as high-demand occupations.

In addition, the Partnership might be structured to:

-- assume the functions of the National Occupational Information Coordinating Committee, the National Commission for Employment Policy, the National Advisory Council on Vocational Education and any

other national advisory committees or commissions that might be appropriate. If placed under the aegis of the Partnership, the resources currently allocated to these commissions and their staffs should be transferred to the Partnership. If not, at a minimum, these commissions should be required to report annually to the Board on their activities.

Provide Mechanism for State Input

We believe that improved coordination between federal agencies involved in employment-related activities is essential and that creation of a board that brings together key cabinet officers and high-level private sector representatives would do much to improve communication at the national level. However, in recognition of the states' major role in the whole range of work-related systems, we believe that it is important also to incorporate a mechanism within the proposal to ensure effective communication between the federal and state partners.

It is the states, not the federal government that have primary responsibility for and provide by far the greatest share of financial resources for, educational programs that relate to the workplace, including vocational education. States set certification, licensing and apprenticeship standards for many occupations and play a major role in supporting related training programs. Further, successful work and welfare initiatives often combine federal and state resources. For instance in Massachusetts, our greatest asset has been the melding of WIN and state funds to create the ET CHOICES program which this year invested over $12 million in the Massachusetts' jobs system. A link between the national Partnership and the state and local levels is needed to

ensure that national programs and policymaking make sense within the context of the broader education, training, and employment enterprise. Within the narrower context of JTPA, such communication is also important, we believe, to provide a formal link between the state and local public/private partnerships empowered with major decision making authority and management responsibilities for training and labor exchange functions, and the federal partners who retain overall policy setting and oversight responsibilities.

State representation might be accomplished in any number of ways. You might consider adopting an appointment process somewhat akin to that of the Advisory Commission on Intergovernmental Relations in which sitting or even former Governors might be appointed to the Board. Alternatively, you might consider reserving one or more seats on the national Board for representatives of State Job Training Coordinating Councils or other state councils.

Massachusetts Experience

Before concluding, I would like to briefly describe to you a little of what we are trying to do in Massachusetts so you can better appreciate the practical ramifications of the Partnership. Our economic prosperity, our 3% unemployment rate and baby-bust demographics give Massachusetts an opportunity -- indeed a special responsibility -- to seriously attack the persistent problems of poverty and unemployment.

In order to capitalize on this opportunity, we have set a goal to create a decentralized, full service, system that provides:

- education, training, or a job to every man or woman who wants to work.

We are devising:

-- A one-stop system that is easily accessible to both job seeker and employer;

-- A flexible system that meets the special needs of Massachusetts, and is not simply a by-product of federal legislation.

It's an ambitious goal, particularly since it requires rationalizing, perhaps even restructuring, a delivery system that is currently composed of more than a dozen different agencies operating independent, narrowly targeted education and training programs.

But, we think, using JTPA and the Employment Service as the basic infrastructure, we can build a new system that we are now calling "MASSJOBS."

The keystone of the MASSJOBS system is the Private Industry Council (PIC) which now acts as a board of directors for both the Service Delivery Area (SDA) and the Employment Service.

The PIC sets overall policy, it allocates resources, it establishes performance goals, and measures the outcomes and quality of services administered by the SDA and local ES office.

In addition to these core activities, Massachusetts' PICs oversee almost $15 million of additional funds that currently include the ET CHOICES program, federally-funded refugee employment projects, state-financed training for

dislocated workers, and all of the Governor's discretionary JTPA funds as well as corporate and foundation grants.

This year, for the first time, the two-year job training plan will incorporate all of these grants into a single, consolidated document, giving the PICs a powerful tool with which to shape a coherent, unified local service strategy for their communities.

Over the next two years, we expect PICs to evolve into strong regional labor market boards, with the ability to organize a broad range of public and private resources into a cohesive employment and training system that meets the full spectrum of job seeker and employer needs in their area.

To give PICs legitimacy, continuity and financial stability, legislation has been filed which will codify them in Massachusetts law and make PICs the presumptive oversight body for all future training and employment programs in the Commonwealth.

The state has played a central role in this process by negotiating a series of interagency agreements which represent the building blocks of the MASSJOBS scheme.

Welfare, refugees, employment service, education and dislocated worker funds now flow through our system and allow the SDAs to broaden their eligibility criteria, serve many more people and offer a richer, more diverse set of activities than would ever be possible using only JTPA funds.

Our goal for the next two years will be to negotiate additional agreements with the rehabilitation commission, vocational education agency and our community colleges.

If we are successful in this enterprise, the MASSJOBS door will open to a logical sequence of services that begins with basic literacy and continues through skills training and OJT to the more technical offerings of our community colleges, and ultimate placement through the employment service.

Conclusion

Undoubtedly, the kinds of institutional change we envision nationally and in Massachusetts will take time, tenacity, trust and thoughtful planning to implement. In many of our states, we have made substantial strides in the right direction. We believe that the creation of a national partnership would substantially contribute to these efforts. Most importantly, it would provide an important signal of a sustained and shared commitment between American workers, employers and the public sector at different levels within our intergovernmental system toward expanding opportunities for and enhancing the skills of our nation's workforce. There has never been a time when strategic investment in and planning for our nation's human capital is needed more.

Thank you. We appreciate the opportunity to have been able to share our thoughts on the Education and Training Partnership with you. I would be pleased to answer any questions you might have.

Senator QUAYLE. Next, it is my pleasure to welcome a fellow Hoosier from Indiana, from Carmel, not to be confused with Carmel, Barry Niemann, who is the chairman of the board of Tigre Systems and also an associate member of the National Association of Personnel Consultants.

Welcome.

Mr. NIEMANN. Thank you, Mr. Chairman. I will try and be very brief, since I know you have to leave.

I am the first vice president and Government affairs chairman of the National Association of Personnel Consultants.

We support S.1990 for two reasons. One, we think there is a lack of cooperation, and two, we think there is an absence of private sector, or an absence of part of the private sector. And of course, that absent part tends to be us. Our business really is matching individuals and positions. And we are really the end of this training process.

In 1982, you were very instrumental in changing the Wagner-Peyser Act to remove the proscription against referring anyone to a private agency. Unfortunately, there has been a reluctance on the part of the job service to work on these arrangements with us. So, we still feel that we have been left out, with the exception of Maryland, with which we finally reached an agreement recently.

We have a vested interest in your legislation because we think it gives us a chance to make a contribution that thus far we have not been given the opportunity to make. We think it is possible to come up with some creative solutions to your problems, and we would like to play a part in it.

We support your idea of the partnership. President Reagan said in his February budget, and I would like to quote him for just two sentences, that

> When government chooses to compete with the private sector, it can always win. But because of the inefficiencies mentioned above—

Which is in previous paragraphs—

> The taxpayer always loses.

Not only is the Government doing what we do, it is doing it in direct competition with us. Our members are frustrated by the Government competition whose deep pockets are funded by our taxes.

When looking at budget cuts for 1986, we think that you can find them in the job service by better using personnel consultants. Given an opportunity to work with the public agencies and other members of the private sector, we think our industry can add something of value to the deliberations.

I might point out there have been suggestions such as if a person on unemployment insurance were to be placed by the private sector, the employer who hires that person could take credit on their FUTA tax. There are a number of proposals like that, and we would urge these types of proposals to be looked at.

We see, in your proposal for the employment and training partnership, provides a vehicle that could enlist all of us in the important part of getting people in the right jobs as fast as possible. Getting the responsible Federal agencies working together and involved with the private sector strikes us as a fine idea.

We welcome the opportunity to endorse legislation that seeks to achieve it. We think it can help tap creative sources to deal with one of the most important concerns of 2 citizen—a good job.

Again, Senator Quayle, thank you very much.

Senator QUAYLE. Thank you very much. You are right on the target and to the point, and thank you for your support. We appreciate that and your coming out here.

Mr. NIEMANN. Thank you.

[The prepared statement of Mr. Niemann follows:]

Statement of
Barry R. Niemann, CPC, First Vice President
of the National Association of Personnel Consultants
before the
Subcommittee on Employment and Productivity
Senate Committee on Labor and Human Resources
February 25, 1986

Mr. Chairman and Members of the Subcommittee:

Thank you for the opportunity to appear before your subcommittee today. My name is Barry Niemann. I own and operate a chain of eight private Personnel Consulting firms headquartered in Carmel, Indiana named Tigre Systems. I have been in the Personnel Consulting field for over 20 years and am First Vice President and Chairman of the Government Affairs Committee of the National Association of Personnel Consultants, on whose behalf I make this statement.

The National Association of Personnel Consultants is in its 25th year and can trace its roots back to the National Employment Board, founded in 1917. Our members subscribe to a code of ethics and we vigorously promote certification of Personnel Consultants to insure better service. Members of our industry engage in matching individuals and positions.

As we understand your bill, we believe that it wants to do at the national level what is now being attempted at the

local level--namely, bring together some of the participants involved in the challenging task of training workers and matching them to job openings. We applaud this. We believe that your proposed Employment and Training Partnership addresses two continuing problems faced by programs of this nature. First, a lack of coordination. Second, the total absence of the private sector or the absence of parts of it that could make a contribution.

I think we all know that a great many governmental programs suffer from a lack of cooperation, and most of us have seen the results in the field of employment and training. What is proposed in your bill seems to us to offer the promise of reducing those regrettable cases where someone is trained for a job that does not exist.

A second feature of your bill is the use of the private sector working alongside its government counterparts. This was attempted under the CETA legislation with mixed results and made mandatory under the JTPA successor with better results. JTPA reflects the profound thought that if the private sector creates the jobs in this country of ours, it is in a position to help those who train people for those jobs. That seems to make sense to the Congress and it makes sense to those of us in the private sector. We support this

feature, and we have an interest in dealing with the organization that your bill would create.

Many of our members have decades of experience in finding positions for individuals; if we cannot do this we go out of business. Consequently, we believe that we know where the jobs are today, and have a pretty good idea of where they will be tomorrow. Again, I would emphasize that the test of our efficiency is the market place. It can be brutal, but it also keeps us from getting fat and sluggish.

Despite the record of many of our members and the demonstrated effectiveness of specialized linkages with government programs, notably in placing welfare recipients in States like Pennsylvania and Texas, we really have not been asked to contribute. You have invited us to the hearings and we thank you for this opportunity. We hope to be invited to sit at other tables, to participate in other discussions of the problems and challenges in training and placing people in jobs. We have helped before. In 1981, for example, there were substantial Reductions in Force (RIFs) affecting thousands of government workers. Several of our members offered free courses to government people on writing resumes that fit the private sector, interviewing techniques, and how to find jobs. We think these courses

worked well, and that the government worker benefited from them. Clearly, we are not charities and we exist primarily to make a profit, just as do other corporations. However, we believe we have something to contribute and appreciate the opportunity that you have provided us. We hope to see it repeated in other quarters.

"Privatization" is one of today's Governmental buzz-words. One of the major proposals in the Federal Budget just submitted is to "Reduce Competition with the Private Sector". Its special supplement notes that:

> At the present time, the Government is engaged in many activities that are similar to, or even the same as, those provided by the private sector. ...Private firms are forced by the pressures of competition to be efficient and responsive to consumer demands, or they will not succeed in the long run. The incentives to control costs are stronger in the private sector...

These are fine words, but they do not apply to us. Our industry is in a curious situation. We are told that, now more than ever, the thrust of this government is not to do what the private sector is able to do. But for personnel consultants, it is different. Not only is the government doing what we do--that is, placing workers in jobs--it is doing it in direct competition with us.

We have for some time believed that there are thousands of workers on Unemployment Insurance who should be the

primary concern of the publicly-funded Job Service, well ahead of those who are already employed. We have contended that there are millions of disadvantaged Americans who deserved the services of tax-supported job services ahead of individuals already established in industries such as accounting, electronics, medical technology and the like. Yet we see the publicly-funded Job Service continually working in these areas and boasting of its success (aided by rather expensive automated systems and other luxuries that the private market might have to acquire more sparingly and only after they have proven themselves) as well as running advertisements in the newspapers.

Obviously, our long-term dream would be to have this situation corrected. We would like to see our industry treated the same as others. We would like the government to refrain from competing with those of us who are able to do the job (and pay taxes) and turn its attention to those that only it can help. We urge you and your collegues to consider the functioning of the Employment Service and its resistance to any cooperation with the private side when looking at places to levy Gramm-Rudman budget cuts.

In introducing S. 1990, you set as an objective getting Federal agencies to work more closely together, in

conjunction with the private sector (p. S18278). We have sought to work more closely with the public agencies. Perhaps because of the head-to-head competition that we face from the publicly-funded state job service agencies, we have been given the cold shoulder in terms of any sharing of listings. For the past decade and more, we have pointed to the advantage of giving us listings of jobs that the Employment Service simply could not fill, or of candidates whom they could not place. We can fill some of these. We can help get people back to work more quickly. We cannot place everyone, of course, and we cannot work miracles. There are tough cases. In Michigan, for example, only one person out of three referred to the private agencies in an experiment even showed up for an interview. Nonetheless, we think that we can do a pretty good job and we believe the data in Pennsylvania and Texas shows this. We were baffled as to why the Employment Service would not let us place people who were looking for work if it could not find work for them.

In 1982, you were instrumental in changing the Wagner-Peyser Act to remove a proscription against referring anyone to an agency that charged a fee, even if the applicant didn't pay it. You still protected the applicant because in no case would the applicant ever pay a fee. Here was a chance for cooperation, but we believe that for the

most part this change has been studiously ignored. Except in the state of Maryland, where an arrangement was made after long negotiations, the publicly-funded job services seem to show little interest in allowing us to place people that they cannot place, even though they would get the credit for placing them. Even the Maryland experiment allows referral only after the state job bank is searched and turns up empty.

Our members report in some cases almost outright hostility to the private sector by the Federally-funded placement offices. This is somewhat understandable, I suppose, because I cannot guarantee you that if our members started placing these candidates that we would not boast about it, and I guess the Job Service might feel bad. But a damaged ego is a small price to pay for getting someone off Unemployment Insurance and back to work. We see what you seek here as providing an opening that will allow the private sector, including personnel consultants, to really participate in the design of governmental efforts in the labor market.

If your proposed Education and Training Partnership comes to pass, we hope to be one of the private sector partners. Not all of our members can help the people who

come into the Job Service offices. But some of them can. We have people in our organization who probably resent the Job Service just as much as certain people in the Job Service resent us. I have never been clear on why they resent us, but our members are frustrated by competition whose deep pockets are funded by their taxes. In any case, turf fights should not stand in the way of something that can improve the situation of the jobless and people taking longer than necessary to find employment in this country. If everyone looking for a job in a given year were placed two weeks earlier, there would be an enormous reduction in Unemployment Insurance payments. People finding jobs sooner would have a tremendous increase in personal satisfaction. An employer's need would be met that much sooner. Neither we nor the Job Service create jobs; both of us fill positions. But we have been doing it a long time and sor of us would like the opportunity to do it for those that the publicly-funded employment intermediaries are not able to place.

We see the commission that your bill advocates as a good place for us to go to talk about problems like this. We have seen how the Employment Service works and we have also watched with interest the programs like CETA and JTPA. Indeed, some of our members have become involved in the

training aspects of employment, as well as the placement, and both CETA and JTPA made efforts to assist people in finding work and in looking good in interviews which is something that all of our people do as well. The disjointed aspects of CETA are probably well known to you, Mr. Chairman and I think they have been pretty well documented in Congressional investigations and in reports of the General Accounting Office. Many of the CETA prime sponsors created their own placement arm because they did not or would not work well with the local job services. The JTPA attempted to resolve this somewhat and it appears to have had some success. Binding these units together at the national level will go one step further.

We have a vested interest in your legislation because we think it gives us a chance to make a contribution that so far we have not been given the opportunity to make. We will frankly say that we would like the opportunity to place some of the people who come into the Employment Service doors; not all of our members would, but many would. We think it should be possible to come up with creative solutions to problems such as placing someone in a lower paying positio: where the employer does not want to pay a fee. We have used vouchers in states like Pennsylvania and Texas for welfare workers and pleased the organizations there enough that they

have continued to use our members (and people in this industry who are not our members) to place welfare workers. One idea that has been talked of is to have the employer get the right to deduct from his FUTA tax a credit for money paid to us to place a worker with him from the Unemployment Insurance rolls. It could work like this: our agencies would receive a referral from the public employment agency of a job-ready worker. Because of the screening already performed, our agencies might be able to take a reduced portion of our fee for that job. The applicant would not pay it, but the employer would, and this would entitle him to a credit from his FUTA tax.

Given the chance to work with the public agencies and other members of the private sector, we think that our industry could add something of value to the deliberations. We see your proposed Employment and Training Partnership providing a vehicle that can enlist all of us in the important work of getting people in the right jobs as fast as possible. Getting the responsible Federal agencies working together and involving the private sector strikes us as a fine idea, and we welcome this opportunity to endorse legislation that seeks to achieve this. We think it will help tap creative sources to deal with one of the most important concerns of our citizens--a good job.

Senator QUAYLE. Our final witness today is Cynthia Marano, executive director of Wider Opportunities for Women, here in Washington.

Ms. Marano.

Ms. MARANO. Thank you, Senator Quayle.

I am Cindy Marano, from Wider Opportunities for Women, and I want to tell you that I am not going to read my whole testimony but would ask that it be submitted for the record.

Senator QUAYLE. We will put it in the record.

Ms. MARANO. Thank you.

Wider Opportunities for Women is a national women's employment organization that works with a network of community women's employment programs across the country. The network is made up of 200 programs which are now serving about 300,000 women every year, providing job counseling, training, and things which I know you support under the Job Training Partnership Act.

My organization has long been an advocate of increased collaboration. We have a history of working directly with employers in an industry advisory council, and those employers in fact create the curriculum that we use to train women in Washington, DC.

At the moment, we are working with the Displaced Homemakers Network and the Women's Bureau of the Department of Labor on a project to design a manual and to train program providers and public administrators on how to build better collaboration between the JTPA and vocational education at the State and local level. We are going to be doing a videotape and setting up training sessions across the United States for what we hope will be the full community of players involved in both of these two systems about how to build collaborations for training women and girls.

We commend you and Senator Kennedy for initiating the discusison on how to improve collaboration among the systems that your bill talks about. We think the time is certainly right, and we think it is an urgent need to foster collaboration at the national level.

I want to tell you, however, that we have a few concerns that come from reading of your bill which I would like to raise here this morning. We would also like to make a couple of suggestions.

Let us begin with tbe concerns. First of all, we do have a concern about the costs related to the proposal that you are suggesting, particularly in the light of the cutbacks in both JTPA and vocational education that are targeted. We feel very nervous about considering the kind of administrative move that we think would cost more money when the programs themselves are targeted for such reductions.

Second, particularly because the Perkins Act is just a year old, and we have been watching the slow progress in getting JTPA really working well at the local level, we are concerned about what is going to happen in terms of disrupting programs. It seems to us, after watching employment and training programs over the last 20 years, that it takes about 6 years to get the programs that are designed legislatively working anywhere nearly like they were supposed to at the local level.

Third, we are concerned about the makeup and structure of the Board that you have designed. We are particularly concerned that the appointment of this Board may mean a kind of dependent and

very partisan kind of board being constituted. We would hope that the Board would be an independent and bipartisan Board.

Fourth, we are concerned about the way in which the private sector sometimes gets used by you and others throughout the policy process to include private industry, but not always to include private sector organizations, including community-based organizations. We have seen that there has been damage done in the JTPA, when those who train people actually do not get involved in creating the policy and when the organizations that relate to the people to be trained do not also get involved in the planning. So as you create a national board, please consider the private sector in the broadest sense.

Finally, we are worried about the fact that some of the other key systems that we see impacting on women we train are not involved in the board. We provide training here in the District of Columbia, and we interact with about 10 agencies every year, including those providing housing, nutrition, transportation, child support, and other assistance. And we would hope that a human resource development system would include the broader category of agencies and programs that are so important for a good system.

I will not go further into the suggestions that we have made in my testimony. But we are suggesting to you that rather than create a board for the partnership, you look at a kind of congressional body across some of the committees; that you create a task force; and that you consider some kind of omnibus legislation. We have made some particular suggestions as to what such efforts might look like.

I guess I would like to say finally that we are very interested in the idea of collaboration. We are committed to working with you on this issue, and we know that our network of training programs around the country desperately feel that collaboration and coordination have to happen differently than is now the case.

We certainly want to work with you as you create a new structure. We think that a Federal approach does need to happen. I look forward to talking with you further about it.

Senator QUAYLE. OK, we will take you up on that. We appreciate the work and the cooperation we have had with you in formulating JTPA and look forward to that same type of relationship.

Ms. MARANO. Thank you.

[The prepared statement of Ms. Marano with attachments follows:]

20 YEARS **Wider Opportunities for Women, Inc.** SERVICE

A nonprofit tax-exempt Women's Employment Organization
1325 G Street N.W. Lower Level Washington, D.C. 20005 (202) 638-3143

Statement of

Cynthia E. Marano, Executive Director

Wider Opportunities for Women, Inc.

before the

Subcommittee on Employment and Productivety

Senate Committee on Labor and Human Resources

February 25, 1986

Good morning, I am Cynthia Marano, Executive Director of Wider Opportunities for Women, Inc. (WOW). I am here today representing WOW and the 200 community-based women's employment programs affiliated with our national information and advocacy network, the Women's Work Force. I believe that this dual role--as a provider of skills training and employment services and as a change agent--provides a perspective which is critically important to the Subcommittee's consideration of S. 1990, the "Education and Training Partnership Act".

WOW has long been an advocate of increased collaboration among service delivery systems and of the active involvement of the private business sector in service delivery. We arrived at this position through two avenues: (1) from our experience of providing comprehensive employment and training services under various public systems to structurally-unemployed women in the Washington Metropolitan area; and, (2) from our work assisting state policymakers, advocates, and administrators to plan for, design, and implement what we have been calling "unified" service delivery systems.

Late last fall, WOW entered into a partnership with the Women's Bureau of the U.S. Department of Labor and the National Displaced Homemakers Network to expand our respective abilities to "spread the word" about multi-system collaborations. Because most of the concern of our respective constituencies centered on the Job Training Partnership Act (JTPA) and the Carl Perkins Vocational Education Act (Perkins), we decided to begin our efforts with these two systems. WOW staff is currently completing a training manual on Perkins/JTPA system

collaborations and finalizing a video cassette aimed at increasing interest in collaboration among employers, service providers, administrators, policymakers, community activists, and system staffers. After we have completed these materials, WOW and the Displaced Homemakers Network will join together to conduct one-day training sessions in each of the federal regions. We believe that this beginning effort, if successful, will encourage administrators and policymakers to begin thinking of other systems for potential collaborations.

WOW commends Senators Quayle and Kennedy on initiating this dialogue. The time could not be more right to begin consideration of ways in which to pursue a more integrated or unified approach to assisting individuals become economically self-sufficient.

Comments on S.1990

After a careful reading of S. 1990, and after conferring with program operators in our network, we are not convinced that S. 1990 is the appropriate vehicle through which to acomplish the goals of increased JTPA/Perkins coordination and collaboration or to institutionalize business sector involvement. In fact, we have serious reservations and questions about a number of specific provisions of S. 1990.

First, we question the creation of a new government agency in light of the fiscal constraints currently being placed upon existing agencies and programs. We would like to hear from you an estimate of both the costs of creating and operating the Education and Training Partnership as well as the savings, if

any, which are expected to be realized in carrying out the provisions of S. 1990.

Second, we are concerned about the potential disruption to programs and program beneficiaries which would result during the transition period of S. 1990 implementation. Perkins is less than a year old--indeed several key components of Perkins have not even been funded. State and local policymakers and administrators are still fine-tuning the operation of JTPA--which, since its inception, has never been fully funded. The upheaval in these systems which would be caused by the establishment of the proposed Education and Training Partnership cannot help but impair the operation and effectiveness of these systems and drain off, for administrative purposes, critically-needed program dollars. The implementation of S. 1990 runs counter to what Senator Quayle, said in his remarks introducing S. 2069, said was a consensus -- that JTPA should be "fine-tuned" but not undergo any major changes.

Our third concern centers around the proposed structure and staffing of the Education and Training Partnership. Our experience, both in working with Congressional leaders such as the members of this Subcommittee, and employers and policymakers involved in our training program, underscores the fact that the development and delivery of quality, cost-effective education and training services cuts across political lines. S. 1990 contains no provisions to safeguard this new agency from becoming a tool of whatever Party inhabits the White House. We strongly oppose the lack of provisions for a bipartisan board, ab initio, as well

as the provisions of S. 1990 which allow hiring and wage-setting without regard to the federal civil service classification system. We believe state leaders and program beneficiaries deserve the continuity which is provided by a bipartisan, fully representative board and by a strong cadre of public service personnel who are experts on the programs and systems over which the agency has jurisdiction. Finally, as part of this third concern, we note with dismay that the language of S. 1990 fails to recognize that the "private sector" includes private nonprofit organizations. In particular, board representation from the employment/training and education communities is conspicuously absent. We have personally witnessed the damage done by the systematic lock-out at the local level of the service provider community from planning and decisionmaking. This damage has taken the form of program entry and placement requirements which are unrealistic for the intended beneficiary population; job placement requirements for completers of remediation programs; and, lack of adequate training in job survival skills (particularly for women entering nontraditional occupations). S. 2069, a bill sponsored by Senators Quayle and Kennedy (introduced this month) attempts legislatively to remedy many of these adverse system practices. It would be a tragedy to repeat the same type of mistake at the national level.

Our final major concern is the treatment in S. 1990 of JTPA, the Employment Service, and Perkins in a vacuum. In our skills training program we utilize resources from over 10 public systems. It is well understood that our trainees must have educational, career, and training services to compete for a job.

But, they must also have referrals and assistance related to housing, nutrition, transportation, child support and other legal matters, financial counseling, etc.--often to even enter training but most particularly to remain in and complete training, and to make the successful transition into employment and self-sufficiency. We suspect that the intent of the drafters of S. 1990 in placing the Secretaries of Commerce and Health and Human Services on the Education and Training Partnership board was to encourage collaboration beyond JTPA, ES, and Perkins to include programs under the jurisdiction of Commerce and HHS. However, this scenario is not an identifiable part of S. 1990 itself and this conclusion is based merely upon our supposition.

In order to (1) bring together the confluence of programs needed to make the systems effective; and, (2) to institutionalize the participation of not only the private business sector but the full spectrum of the employment/training and education communities, WOW urges this Subcommittee to build upon the expertise and momentum it has already generated.

WOW believes that coordination between JTPA, Wagner-Peyser, and Perkins, which is a monumental task, does not go far enough. What is needed is a vehicle through which there can be developed national comprehensive human needs/resources policy and programs. We urge this subcommittee to take leadership in forming a task force with representatives from other Congressional committees and subcommittees with jurisdiction over the full range of human resource programs. This task force, under a timeline, would

undertake the chore of reviewing/auditing the various programs to identify areas for integration and coordination and to draft an omnibus piece of legislation to acheive an integrated national human resources policy/program.

Such a program/policy would have two goals:

1. the provision of programs and services to assist individuals who are members of long-or short-term economically disadvantaged or economically dependent populations because they lack the skills with which to compete in the labor market; and,

2. the cost-efficient delivery of direct services for program beneficiaries.

Components of such a program might include:

- an interagency planning body containing program development and evaluation and budget representatives from the human resources agencies;

- legislative amendments to enabling statutes to require states to submit an integrated plan and consolidated request for federal dollars;

- changes in the federal budget process which would require an integrated national human services program budget request, hearings, and authorization and appropriation;

- consolidated program and agency oversight (both agency and Congressional levels);

- amendments which would allow recipients of one program to be automatically eligible, in given instances, for services under a host of human resource programs;

- a national advisory council for the interagency task force whose members span the full spectrum of the employment and training, vocational, and human services communities.

60-829 0 - 86 - 7

INTEGRATED PLANNING AND SERVICE DELIVERY IS CRITICALLY NEEDED

We believe we can demonstrate the need for a comprehensive/integrated approach by simply presenting you with a profile of a typical WOW trainee:

> The 'typical' WOW trainee is a single parent between the ages of 18 and 45 (the average age is 27). She has either never finished high school or has finished but functions at between the 5th and 7th grade reading and math computation level. She has worked at marginal, part time, and typically female jobs which did not provide enough income or benefits (particularly medical) to fully care for her family.
>
> The woman and her family often share crowded and/or temporary living quarters with friends and extended family or live in public housing. In order to make a permanent change in her life she needs accurate information about training opportunities, accurate assessment of her skills, remediation services, life and career planning skills, training, and assistance in making the move from training to work. As critical are the woman's need for a stable and safe living situation for herself and her children, medical coverage, income supports, transportation assistance, childcare (both during training and employment).

This vignette tells us two things: (1) the typical program participant is anything but a typical "manpower program" participant, and services must be tailored to participant's specific needs; and, (2) the needs of the typical trainee almost invariably extend beyond those which can be provided through any one system.

In all, in order to provide career and skills training for 250 women per year, WOW must maintain contact with 10-15 public human resource agencies. These agencies provide not only education, vocational and training services, but such other services a housing, legal assistance, transportation, medical,

food and clothing, mental health, family planning, and other emergency services. These contacts multiply the cost to WOW of providing critically-needed services. In addition, the amount of needed resources increases with the need for repeated agency contacts, to clarify program issues, to interpret one agency's requirements to another, and to provide different (and often differently formatted) reporting information to each agency. Despite the costs to WOW, the emotional toll on the women in need of WOW services is even higher. Women who must wage a struggle simply to secure the needed information and referral to WOW's services, do not have the reserves required to wend through the labyrinth of human needs programs and agencies. A key consideration for the employers who participate as part of WOW's Industry Advisory Group is WOW's promise that they will not have to tangle with a morass of public agencies and programs.

Because public dollars are not available to assist the woman in her transition from training to paid work or to provide adequate follow-up and evaluation services, WOW pays for these needs through private donations. A Support Services Fund, made up of contributions from individuals and businesses in the community, provides needed funds to fill gaps in the public support services network and to provide a one-month bridge for the woman who needs it to survive from the time she leaves training for a job until she can draw her first paycheck. Finally, in order to provide adequate data to use in assessing the long-and short-term effectiveness of the training, WOW must rely upon individual and corporate donations and grants from

private foundations to maintain its management information system.

Though WOW is able to generate a multisource budget each year in order to continue to provide these services, it is telling that WOW remains the District of Columbia's only freestanding community-based organization which provides nontraditional skills training for low-income women.

UNIFIED SERVICE DELIVERY WORKS

For the past year WOW has been working with state legislators, administrators, and service providers to encourage the unified approach to service delivery. In closing, I want to take a few moments to share with you some actual working models of this integrated approach:

Service Delivery Area for Larimer County, CO:

Established under Title VII of CETA, this effort in systemic coordination has evolved under JTPA into a multiservice approach to employment and training. All providers of employment and training services have signed agreements with the SDA specifying their contributions to a coordinated system of many services. In addition to the training and placement services supplied by the Employment Service and JTPA, mental health offices provide counseling, welfare offices provide day care, public schools provide GED training and assistance, and vocational schools provide classroom skills training. Under this arrangement, there is one intake at the co-located offices of the Employment Service and JTPA. A client proceeds directly into assessment, after which JTPA staff develop an employability plan drawing on all available public resources.

The State of Louisiana has committed over $6 million to a program of coordinated services to women, which brings together in an innovative service delivery package of displaced homemakers programs, nontraditional training for women, WIN, services for battered women and teen parents, and small business development for women. The program is administered by the Louisiana Division of Women's Services.

In Utah, two women's nonprofit programs--the Phoenix Institute and Utah Issues--have joined together to work with district AFDC offices throughout the state to institute a coordinated program of self-sufficiency for AFDC recipients. The experience gained from this effort will be used as the basis for other state level initiatives as part of the Governor's Task Force on Integrating Women in the Workforce.

Employment and Training Choices Program, Massachusetts -- known also as "ET Choices" is an integrated program targeted at welfare recipients. After registration (required of all recipients) recipients are presented with a series of choices. Through the program, recipients may choose to seek employment immediately, enroll for further education and training, enter a supported-work program to acquire greater work experience (see TEE profile below), or request assessment and career counseling to help them make the most appropriate choice from the above. Once in the program, recipients may be eligible for day-care vouchers and transportation assistance, and can continue to receive Medicaid benefits for up to 15 months after leaving the program. Administrators claim that the critical ingredient attributable to success of the program lies in the fact that it is voluntary on the part of recipients.

CONCLUSION

From these examples we see that the momentum and direction for effective collaboration have already been set. It is now time for for action to take place at the national level. WOW cannot support S. 1990 as written, yet we pledge ourselves to work with the Subcommittee to explore alternatives which can set the stage for effective collaboration beginning at the national level.

60-829 O - 86 - 8

Senator QUAYLE. Unfortunately, I am already 10 minutes late for where I am supposed to be.

I am going to insert a statement from the superintendent of Hawaii on behalf of Senator Matsunaga. I am also going keep the record open for 2 weeks to receive written testimony from those who were unable to appear here today.

[The statement referred to above and additional material supplied for the record follow:]

February 11, 1986

Subcommittee on Employment and Productivity
SD-428
Dirksen Senate Office Building
Washington, D.C. 20510

Attention: Renee Coe

Mr. Chairman, my name is Francis Hatanaka, Superintendent of the Hawaii State Department of Education. The Department is a single statewide public school system with 235 kindergarten regular and special schools, 164,000 students, 9,000 teachers, and a 13-member elected Board of Education to set educational policies.

The purpose of this written testimony is to express Hawaii's concerns with S. 1990 before the 99th Congress that proposes to merge the Job Training Partnership Act, the Wagner-Peyser Act, and the Carl D. Perkins Vocational Education Act programs into a new independent agency.

My initial concern is that the creation of a new federal agency will be accompanied by growing pains and operational problems that require enormous amount of time to resolve before meaningful services can be delivered. If there are problems with the existing Acts, it makes more sense to deal with them administratively within the present organizational infrastructure of the states than to create a totally new one.

The aim of guaranteeing, if not improving, private sector involvement in education and training programs is honorable and something I agree with. However, creating a new agency raises troublesome questions:

1) What are the reasons for wanting a new independent agency to handle education and training when existing federal agencies are already charged with these responsibilities?

2) Would the creation of this new agency result in more effective and efficient operations under these Acts?

3) Will the creation of this agency change the focus of the vocational education program for secondary schools from an awareness building and pre-industrial preparation program to something else?

4) Is it appropriate for the private sector to directly administer certain education and training programs rather than participate in them in an advisory role?

Another concern is that of timing. Creating another agency, or even reorganizing functions among the existing agencies, will often increase operating costs. At a time when educational programs are headed for massive cuts to reduce the growing national debt, those additional expenditures are hard to justify.

In conclusion, Mr. Chairman, I urge you not to pass S. 1990 to create a new independent agency. Thank you.

STATEMENT BY DONNA AULT, PRESIDENT
AND GERALD JACKSON, POLICY CHAIRMAN
ON BEHALF OF THE INDIANA VOCATIONAL ASSOCIATION
TO THE SENATE SUBCOMMITTEE
ON EMPLOYMENT AND PRODUCTIVITY ON S.1990,
EDUCATION AND TRAINING PARTNERSHIP ACT

We appreciate this opportunity to present the views of the Indiana Vocational Association on S.1990, Education and Training Partnership Act. Although we strongly favor the idea of cooperation and coordination at the federal level between the Job Training Partnership Act, the Wagner-Peyser Act, and the Carl D. Perkins Vocational Education Act, we believe this proposed legislation is the wrong method of achieving such cooperation and coordination. Therefore, we oppose S.1990.

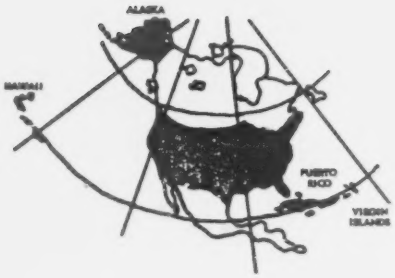
There are major differences between the Job Training Partnership Act and the Carl D. Perkins Vocational Education Act which would make it undesirable for them to be administered by a new, independent Federal agency. Policy and administration for the Job Training Partnership ACT (JTPA) originates at the federal level. Policy and administration for Vocational Education orginates at the state and local level. Most of the funding for JTPA comes from the federal level. However, Vocational Education receives only ten percent (10%) of its funding from the federal level, and ninety percent (90%) from the state and local level.

JTPA programs are primarily concerned with short-range training programs for disadvantaged citizens. Vocational Education, on the other hand, serves a wide range of citizens by offering educational as well as training programs which are structured to meet the lifelong needs of the individual.

JTPA programs and Vocational Education programs are administered by different agencies on the state level - JTPA by the State Job Training Coordination Council and Vocational Education by the State Board of Education. In addition, the two are administered by different agencies at the local level - JTPA by the Private Industry Council and Vocational Education by the local educational agency.

Vocational Education is as much a part of education as is math and English. Removing it from the Department of Education will separate it from all other areas of education, and will create coordination problems at the state and local level. One must have a clear understanding that Vocational Education at the local level serves the needs of more than special populations. If Vocational Education is removed from the Department of Education, it may send a signal to the states that Vocational Education is only for the disadvantaged and the unemployed.

The Indiana Vocational Association shares the belief that coordination and cooperation between Vocational Education, JTPA, and employment service programs are important and necessary; but for the above mentioned reasons, we believe that cooperation and coordination is best accomplished through the existing administrative structure. We look forward to working with you to develop this cooperation and coordination. We thank you for this opportunity to express our views.



National Association of State and Territorial Apprenticeship Directors

18 Reddy Lane
Loudonville, New York 12211

STATEMENT OF

DONALD J. GRABOWSKI, PRESIDENT

NATIONAL ASSOCIATION OF STATE AND TERRITORIAL APPRENTICESHIP DIRECTORS

before the

SUBCOMMITTEE OF EMPLOYMENT AND PRODUCTIVITY

SENATE COMMITTEE ON LABOR AND HUMAN RESOURCES

FEBRUARY 25, 1986

Mr. Chairman and Members of the Subcommittee:

Our Association appreciates the opportunity to appear before you today. The objectives of S. 1990 - greater Federal coordination, more private sector involvement, and focused training objectives - are long sought. Yet, they have eluded legislators and administrators for years. Mr. Chairman, you and the Subcommittee are wise to make another effort to attain these key goals. The National Association of State and Territorial Apprenticeship Directors believes coordination, involvement and focus can be attained only after consideration of all components in employment, training and human resource development. Important programs and opportunities already exist, and must become full partners for a coordinated national effort to succeed.

Apprentice training is a prime example of a crucial program that has been overlooked and/or ignored. This time-tested, cost-efficient, industry-based training program produces thousands of highly skilled workers each year - workers who are the core of our nation's productive efforts. Apprenticeship is the private sector's preferred method of training the highly skilled workers industry needs. This preference is so strong that the private sector pays almost the entire program cost - millions of dollars each year - dollars which must be justified to corporate stock holders. The greatest salesmen for apprentice training are the private sector firms that pay for it!

Apprenticeship is structured, systematic, supervised on-the-job training blended with theoretical, related instruction in the principles of an occupation. Both elements are required to produce a fully-skilled worker. It is the same basic training system used to produce all highly skilled workers, whether they are called professionals, technicians, or apprentices. We all recognize this system as the only way to train people. A moment's reflection on your own training, and that of your friends, relatives and associates, regardless of their profession or occupation, makes this point evident. Learning of skills takes place on the job; learning of

theory occurs off the job. Blending of skill and theory with experience produces a skilled worker who knows what, why, where, when and how to do the task at hand, be it surgery or sanding, structural design or electrical repair.

Apprentice Training can be coordinated easily with other ongoing Federal employment and training efforts. Examples abound. The Carl Perkins Vocational Education Act identifies at least 14 ways that apprenticeship and vocational education can be blended. However, the Job Training Partnership Act is silent on the topic. It is difficult to understand how the key Federal employment and training statute, which mandates private sector participation, ignores the private sectors' preferred method for training skilled workers. Private employers must wonder if anyone understands how skilled workers are trained.

Vocational Education, another program often overlooked or ignored, is the natural partner of apprentice training. Each program provides a key component to the total training process; neither can provide what the other delivers. We were pleased to note the positive comments of Secretary Brock and Secretary Bennett about the Interagency Agreement on Apprenticeship which is required by the Carl Perkins Act. NASTAD looks forward to speedy implementation of that agreement, and full involvement of the States in the planning which is required. Program coordination can be achieved only on the State and local level, where training takes place.

Apprentice training should be a required part of our national defense program. Vast public resources already are providing thousands of training opportunities for our nation's future workers. These costs already have been incurred. The training opportunities they generate should not be lost for failure to recognize the obvious.

To achieve greater coordination and increased private sector participation, all relevant Federal statutes and programs must be included in the solution. The National Apprenticeship Act has remained unchanged for 50 years. This three paragraph statute provides a great opportunity for Federal leadership in the development of human resources. Obviously, it must be updated and blended with other similar Federal statutes.

Greater private sector involvement in government's human resource development efforts will come when those efforts recognize private sector accomplishments, and build upon them. We must use the programs and practices which industry knows are successful. Then the private sector participants will require better government coordination, because they know, from their own business experience, that the blended programs will produce the skilled workers they need.

Thank you, Mr. Chairman. I will be pleased to answer any questions.

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

ALBERT D. BOURLAND
VICE PRESIDENT
CONGRESSIONAL RELATIONS

1615 H STREET, N.W.
WASHINGTON, D.C. 20062
202/463-5600

March 20, 1986

The Honorable Dan Quayle
Chairman
Subcommittee on Employment and Productivity
Committee on Labor and Human Resources
U.S. Senate
Washington, D.C. 20510

Dear Mr. Chairman:

The U.S. Chamber of Commerce, on behalf of its more than 180,000 members, appreciates your allowing us to comment on S. 1990, The Education and Training Partnership Act. The Chamber supports the public-private collaborative principles embodied in S. 1990 and commends your leadership in preparing this important legislation. However, we question the wisdom of creating a new federal agency at a time of severe budget constraints.

Purpose of S. 1990

The purpose of S. 1990 is twofold: first, to increase programmatic coordination for interrelated federal programs presently located within the Departments of Education and Labor; second, to increase private-sector involvement in the development and implementation of national employment and training policy. S. 1990 would establish a new independent agency within the executive branch. This agency would direct programs mandated in the Job Training Partnership Act, the Wagner Peyser Act, and the Carl D. Perkins Vocational Education Act. This new partnership would be headed by a nine-member Board of Directors comprised of five private-sector representatives and the Secretaries of Commerce, Education, Health and Human Services, and Labor.

Background

Since 1982, the Congress has made significant steps in improving the administration and program coordination of selected education and training programs. Beginning with the passage of the Job Training Partnership Act (JTPA), the Congress has enacted education and training legislation that recognizes three fundamental principles for success in this area: (1) the need for national programs to be responsible to state and local labor market needs; (2) the necessity of eliminating unneeded administrative and paperwork requirements; and (3) the paramount role that must be played by private-sector employers in determining state and local employment and training priorities. To a lesser degree, these same principles were also embodied in the Carl D. Perkins Vocational Education Act passed in 1984. Both the JTPA and the Perkins Act establish a workable framework for private-sector involvement in public education and training programs at the state and local government levels. However, both fail to provide a policy framework for private-sector involvement in national employment and training issues. The Board established under S. 1990 would fill this void.

Recent Success Stories

In testimony presented before the Senate Committee on Finance on September 17, 1985, Chamber Board member Frances Shaine stressed the importance of providing cost-effective training/retraining for workers and firms adversely affected by imports and the need to reduce and distribute more evenly the burden of economic adjustment.

The U.S. Chamber supported the passage of the JTPA and the Perkins Act. Judging from recent survey data released by the U.S. Department of Labor (DOL) regarding the JTPA, that support was well founded. According to data available for program year 1984, 940,000 disadvantaged youth and adults were served by the JTPA programs; more than 177,000 unemployed workers participated in the JTPA Title III dislocated workers programs (with 65 percent successfully placed in private sector jobs at an average wage of $6.20); successful placements received an average hourly wage of $4.61; and more than 3,000 business volunteers participated in the more than 500 local private industry councils. Without exception, all of these results are dramatic improvements over the predecessor to the JTPA--the much maligned CETA program.

Recommendations

The following recommendations were developed by the Chamber staff after preliminary consultation with the Chamber's Education, Employment, and Training Committee.

S. 1990 builds upon the momentum created by the JTPA and the Perkins Act and offers the private sector meaningful input into the national policymaking process. The Chamber supports this goal and offers the following comments for your consideration in finalizing S. 1990.

1. Any new federal initiative should be based on the principles embodied in the JTPA. Any national public-private partnership program must be responsive to the realities of state and local labor markets; be free of costly and burdensome administrative requirements and provide a meaningful role for private-sector participants. The JTPA represents a positive first step in the development of a comprehensive national policy on human resource development that must consider national vocational education initiatives and the employment service, along with state and local economic development strategies.

2. Any new national partnership program must have clearly defined roles and responsibilities, with corresponding goals and objectives. As presently constituted, S. 1990 does not address adequately these areas of Chamber concern. We recommend that the final legislation clearly specify that the federal role in this new partnership is limited to policy development, program planning, oversight, and monitoring. Establishing a competing agency to administer and operate ongoing programs would prove unproductive and possibly threaten the success of existing programs. Rather, the partnership should operate in the manner of a corporate board of directors, which recommends national policies and reviews programs and systems in a comprehensive, government-wide fashion.

3. Expand the Board of Directors to reflect linkage with economic development. By broadening the scope of the partnership to encompass the expanded view of human resource development and economic development, it would be critical to include the Secretary of Housing and Urban Development (HUD) and the Administrator of the Small Business Administration (SBA). Including HUD recognizes the need to link economic development and job creation with education and training programs at the state and local levels. Expanding the Board to include the SBA acknowledges the realities of future job growth/opportunities in the small business sector of the economy. Finally, although we have suggested expanding the size of the Board, it is essential that the private sector remain a majority. This representation should reflect the overall mix of businesses operating in this country. However, the Chamber believes that staff and budget for this new agency should be absorbed within the existing resources of the Department of Labor. Further, the activities are a logical extension of the current program of work for the Employment and Training Administration.

To continue the progress being made under the JTPA, the private sector must be an integral component of any new federal initiative. We stand willing to assist you and your staff in assuring that S. 1990 reflects this concern and receives proper consideration in the national debate on this issue.

Thank you for your consideration of our views, and we request that our comments be made a part of the hearing record. We look forward to working with you in the future.

Sincerely,

Albert D. Bourland

cc: Subcommittee Members
Betsy Brand, Staff Director
William A. Blakey, Minority Counsel

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TESTIMONY

OF

DR. RICHARD O. BRINKMAN

CHAIRMAN

NATIONAL ADVISORY COUNCIL ON CONTINUING EDUCATION

TO THE

SENATE SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY

ON

S. 1990

THE EDUCATION AND TRAINING PARTNERSHIP ACT

SENATOR DAN QUAYLE

CHAIRMAN

March 21, 1986

Testimony of Richard O. Brinkman

Thank you, Senator Quayle, for your invitation to submit testimony to the Subcommittee on Employment and Productivity on S. 1990, a bill to establish an Education and Training Partnership at the federal level. You and Senator Kennedy are to be congratulated for your efforts to challenge the federal government to do itself what it expects others to do.

My name is Richard O. Brinkman. I am from Springfield, Ohio. I submit this statement on behalf of my colleagues on the National Advisory Council on Continuing Education, which I am honored to serve this year as Chairman. I am also President Emeritus of Clark Technical College in Springfield.

I have long been active at the State and local level with many job training and vocational education programs and I am familiar with the internal operations of both the Job Training Partnership Act and the Carl Perkins Vocational Education Act as they are used in Ohio.

My recent experiences as a Presidential appointee to the National Advisory Council on Continuing Education have paralleled in many ways my thirty years of education administration and community involvement in Ohio.

Senator Quayle, the Council is greatly interested in S. 1990 and vigorously supports its spirit of federal government accountability and its concrete proposal to help bring about greater inter-agency coordination. The Council supports your determination to focus on labor market services and to draw even greater attention to the potential for better federal strategies to refine and implement productive employment policies.

Let me say a few words about continuing education. I will then outline briefly six comments and recommendations for your committee's consideration and then discuss each from the vantage point of the interests of this Council.

As I am sure you know, continuing education at the postsecondary level of instruction is perhaps the most striking new development in higher education in the last two decades - even longer if you consider that the education and training of adults in the United States began at the beginning of the Republic itself.

The demographics of postsecondary education have changed substantially in recent years. We are told now that over fifty percent of credit enrollments in higher education are by students over the age of twenty-two. This is quite a departure from the common perception of the average undergraduate. We are told also that forty-one percent of all postsecondary students study on a part-time basis. And for good reason: virtually all part-time students work and, if not, are usually preparing for work or fulfilling other adult responsibilities.

Three out of four continuing education students identify employment-related objectives as their reason for getting more education. In fact, continuing education has always had a special relationship with the workplace, not because it was necessarily planned that way, but because the adults who participate in continuing education have themselves determined that that is the way it was going to be. For these adults, continuing education helps meet work-related objectives.

It is hard indeed to separate the educational interests of adults from their employment and job interests. The two together obviously have a direct impact on the economic condition of individuals, families, and their communities.

It is this clear linkage between the educational objectives of adults and their employment and job aspirations that has paramount meaning to our Council and why, in its several recent reports to Congress, the Council has singled out "the economic relevance of adult learning in the United States" as the first of many priorities.

Senator, the Council has just completed several studies in preparation for the reauthorization of the Higher Education Act. Our recommendations to Congress evolved from our special interest in providing more learning opportunities for the so-called "new clientele" of postsecondary education - the adult learner. It stemmed also from the Council's conviction that to reauthorize the Act without some more direct connection between postsecondary instruction and the needs of the workplace would be unwise.

With that same conviction, the Council earlier testified on both the Job Training Partnership Act and the Vocational Education Act. In each instance, the Council supported the various strategies to make educational systems and institutions more relevant to the employment needs of individuals and to the economic development of the Nation itself.

Our interest in S. 1990 has a similar thrust. The bill, of course, does not create a new program, but it does recognize, as no other recent legislation has, that coordination of agency and program activities has been overlooked in the recent national discussions about what federal, state, and other governmental bodies are supposed to do.

Our comments and recommendations for S. 1990 are these:

One: We support in principle any effort to bring about better cooperation and coordination among the multitude of federal programs.

Two: We commend and endorse S. 1990's proposal to solicit greater support from the private sector and to include representatives from management and labor in the federal decision-making process.

Three: We recommend that an Education and Training Partnership at the federal level be primarily concerned with strategies for policy development and strategies to determine program direction and objectives rather than, or more than, with questions of program operations.

Four We recommend that such a Partnership accept as a primary task the coordination of select data-gathering and dissemination exercises of accurate and timely use to the various providers of education and training services.

Five We strongly suggest that the focus of the Partnership be expanded to include agencies and programs in addition to those cited by S. 1990, in particular those programs that support the education and training needs of adults, the majority of whom use continuing education and training for employment and job-related objectives.

Six: We recommend that S. 1990 expand its discussion of interagency coordination and labor market services to focus more on the development of an administrative mechanism that could conduct long-term oversight, monitoring and evaluation of the issues and programs at hand.

Let me add a few remarks about each of these comments. Before doing so, however, I should mention something unusual about the National Advisory Council on Continuing Education. It has twelve public members appointed directly the President. It also has representatives from eight federal agencies (Agriculture, Defense, Education, Labor, Health and Human Services, Commerce, Veterans Administration, and the Office of Personnel Management).

This mix of people serves a purpose. The Council's mandate as expressed in Section 117 of the Higher Education Act, requires us to advise the Congress and the President on ". . . all federally supported continuing education and training programs. . . and to make recommendations."

Over the years, the Council has identified literally hundreds of such programs administered by virtually every agency of the federal government. One conclusion we reached very early is that the Secretary of Education, the chief education officer of the federal government, has jurisdiction over only about one-fourth of these programs. In other words, most of the continuing education and training programs of concern to the Council lie well beyond the jurisdiction of the official education bureaucracy.

Thus our special interest in interagency cooperation and coordination. This brings me to our first comment

We support in principle any effort to bring about better cooperation and coordination among the multitude of federal programs.

The truth is, there is much coordination already occurring. Some of it is mandated by law, including the two statutes cited by S. 1990 (JTPA and the Carl Perkins Act). The effort now is to complete that initiative by establishing at the federal level what is currently in place and prescribed by law at the state and local level.

Much coordination occurs through administrative agreements and is not necessarily required by statute. For instance, the Department of Education has an agreement with the Department of Agriculture for the latter to administer ED's payroll and personnel operations through Agriculture's National Finance Center in New Orleans.

Labor has recently signed an interagency agreement with Education to coordinate apprenticeship training with vocational education, and with Health and Human Services on certain training programs for low-income and disadvantaged families.

Other activities could be cited, but one thing the Council recently discovered is that not all agencies have an internal administrative mechanism that records all such agreements current within the agency. Such information, if available, is more likely to come from individual program officers, or finance or budget offices, and not from a centralized record-keeping unit with oversight for interagency agreements.

The Council has recently undertaken its own examination of interagency coordination devices. Our plan is to tabulate existing mechanisms used by agencies as coordinating devices and cite a variety of examples, now in use, for each mechanism. We will be happy to share this information with you when this study is completed.

It seems to me, Senator Quayle, that this information gap within the agencies is something your committee should be aware of and wish to discuss in any further consideration of the purposes and impact of S. 1990 on the federal government.

We commend and endorse S. 1990's proposal to solicit greater support from the private sector and to include representatives from management and labor in the federal decision-making process.

Heretofore, much of the involvement by the private sector in federal processes has been limited to loosely worded advisory roles or philanthropic activities. If the private sector is to get more involved, incentives must be offered that would be in the best interest of both the private sector and the federal government.

The best incentive may be to share with management and labor representatives some of the responsibilities to plan, design, oversee, assess and evaluate the objectives and the implementation of relevant federal programs.

This businesslike approach to businessmen has apparently worked well in both JTPA and the Carl Perkins Act. There is little reason to believe it will not work well at the federal level - at least until it is tried and tested.

Those of us who know something about continuing education have known for years that continuing education's success routinely depends on the local partnerships developed between academic institutions and local employers. This is particularly critical because it is the private sector that hires eighty percent of American workers.

Private sector involvement in the Education and Training Partnership is vital. However, its responsibilities should be enlarged and made more specific, perhaps to reflect at the federal level what is expected of them at the state and local levels.

> We recommend that an Education and Training Partnership at the federal level be primarily concerned with strategies for policy development and strategies to determine program direction and objectives rather than, or more than, with questions of program operations.

The budget crisis has brought about a welcome discussion of what the federal government's role ought to be in certain program areas in relation to state and local governments and other public and private agencies, including academic institutions.

This is good. If federal resources are limited, the impact of available funds ought to be maximized. One way is through interagency coordination. Another equally important way is for the federal government to continue to do what it does best - and which few others can do in its place - and to do what only the federal government can do.

For instance, the Council recently completed the first phase of discussions with representatives of ten of the member nations of the Organization for Economic and Community Development (OECD) in Paris. The subject was national strategies for human resource development and opportunities for adult learners.

Virtually all of the OECD member nations have identifiable national strategies, not just for labor market services, but for adult learning and beyond that - for human resource development.

The Council will soon complete a summary of the findings regarding human resources policies in other developed nations. These findings may have important implications to the work of your committee. We will submit this document to you at the appropriate time.

If S. 1990 succeeds in linking JTPA with the Carl Perkins Act more efficiently at the federal level, it may be wise to assume that more is needed at the federal level than simply this operational collaboration. The participation of federal administrators with private sector representatives on joint Labor and Education programs is an opportunity that should not be lost.

Since S. 1990 is not clear about routine responsibilities of the Partnership Board, the Council would recommend that they be made clear, and that these responsibilities include broad oversight for policy development, strategic planning, objectives, and assessment of not only labor market services, as proposed by S. 1990, but the expanded focus as discussed below.

We recommend that such a Partnership accept as a primary task the coordination of select data-gathering and dissemination exercises of accurate and timely use to the various providers of education and training services.

Planning and forecasting of labor market services need good data. Many agencies assemble such data - not only Labor and Education but Commerce and Health and Human Services, Defense and other agencies.

This information is backlogged. Agencies assemble information for their own purposes, and it is useful to them; but there are few if any central coordinating devices that will scan current data from multi-agency sources and make them available, on a timely basis, for customer usage. All too frequently, federal statistics are several years out of date upon publication.

Data gathering and dissemination, data analysis, technical assistance and informational networking are areas that are incontestably a federal responsibility.

If an Education and Training Partnership is to work, it should have direct access to all relevant data collection activities. The Partnership should also be capable of delineating which information it needs to do its job and to influence the manner in which data is both collected and disseminated.

This essential activity could be expanded to include the thrust of the following proposal.

We strongly suggest that the focus of the Partnership be expanded to include agencies and programs in addition to those cited by S. 1990, in particular those programs that support the education and training needs of adults, the majority of whom use continuing education and training for employment and job-related objectives.

As welcome as the S. 1990 initiative is, the Council is tempted by its potential to recommend that the Partnership be expanded to include agency programs that support the education and training needs of adults. This expansion is warranted by the current purpose of S. 1990 to coordinate labor market services and by the well-documented employment objectives of most adult learners.

For instance, the Council recently examined four major laws that have a direct impact on the status of adult learners in the United States: the Higher Education Act, the Adult Education Act, the Job Training Partnership Act, and the Carl Perkins Vocational Education Act.

This examination led to several observations of special significance to S. 1990:

- Each law expresses as a major purpose the need to equate education and training to the workplace or to social and economic social changes.

- The definition of "adult" varies from law to law. There is little effort to be consistent in terminology, a shortcoming that affects eligibility provisions in the programs and reflects ill-attention at the Congressional level to the relevance of one program to another.

- With the exception of the interaction between JTPA and vocational education, there is little or no instruction in law about the overlapping purposes of the four statutes. Basically, the laws and programs are administered separately.

- Postsecondary institutions are substantially involved in three of the four programs. These three tend to be separately administered at the postsecondary level.

- Three of the four programs encourage substantial involvement of the private sector. The fourth (HEA) does involve banks and lending agencies in its loan program.

- State agencies are involved in the administration of three programs. The fourth (HEA) involves state agencies only minimally.

- AEA, JTPA and VEA directly involve Federal and state agencies in education and training activities that relate to labor market services and which, to be effective, must take into account the condition of the labor market itself and the needs of employers.

- Despite HEA's prominent role as a provider of multi-billion dollar student financial assistance, title IV of HEA makes no effort to relate this assistance in any way to the labor-market - despite the expressed desires of millions of adult learners to use education, training and retraining as a vehicle for employment security and job advancement.

I cite these few observations to reinforce the potential of S. 1990 to do more than is now expected of it. The problem of federal interagency coordination is a fundamental issue. Even if S. 1990 is restricted to "labor market services," the approach to this issue may make more sense if other programs within Labor and Education are included - like the Adult Education Act and the Higher Education Act - and perhaps programs in other agencies - like Agriculture's Cooperative Extension Service; Commerce's Sea Grant Program; the Small Business Administration's extension program, and EPA's energy extension program.

The Council is now developing a preliminary list of "candidate programs" which may be appropriate for coordination. This will be a discussion document that we intend to use as a vehicle for further examination by the Council and by the representatives of the eight federal agencies on it.

If the Education and Training Partnership Act were expanded, the Council would urge the greater inclusion of representatives of the education community. Postsecondary institutions, for instance, are the second largest providers of education and training (after the business community itself). Surely this fact alone is sufficient to include them as a major component of the Partnership.

The postsecondary community is eager to establish new and productive cooperative agreements with the private sector. These arrangements are mutually satisfying and of great service to the ultimate beneficiaries of what S. 1990 is all about - efficient services to individuals who wish to use education and training to find a job, keep a job, or advance careers.

We recommend that S. 1990 expand its discussion of interagency coordination and labor market services to focus more on the development of an administrative mechanism that could conduct long-term oversight, monitoring and evaluation of the issues and programs at hand.

It may well be that you will decide to proceed with your attempt to make S. 1990 operational and to bring about coordination between JTPA and vocational education. This may be a necessary first step.

However, in the opinion of the Council, the merits in your proposal may best be realized by including in S. 1990 some clearly defined entity whose sole purpose could be a long-term analysis of the broader implications of your bill.

There are many federal agencies and programs that can benefit from what you propose. But someone should have a clear mandate, supported by the necessary resources, to conduct an extended study of which federal programs are candidates for more cooperation and coordination.

Such a mandate could provide this entity with responsibility for collecting the data, analyzing it, and providing the Board with specific policy guidelines and objectives. This entity could also be able to serve the Board through its independent monitoring and evaluation of programs relevant to the Board's interest.

You may wish to assign these tasks to the Board itself, or perhaps you may wish to assign them to one or more advisory bodies, preferably existing ones. There already exists in the federal bureaucracy many commissions and councils and independent agencies that could serve the Board in this capacity - the National Commission on Employment Policy, the National Council on Vocational Education, the National Advisory Council on Continuing Education, and any number of other groups where there now exists some sense of common purpose regarding education and training's impact on the labor market, and vice versa.

S. 1990 is a fine initial approach to a problem that some people call intractable. I don't believe the problems of coordination are intractable. We can make progress solving them, but only when it is understood by all concerned who in the federal government is providing the leadership.

I urge you to use S. 1990 as an instrument that will identify an appropriate mechanism that will undertake the long-term planning and analysis that are needed to fulfill the transcedent character of your proposal.

The National Advisory Council on Continuing Education is prepared to assist in that effort, consistent with its Congressional mandate, which is to examine -

> ". . . all federally supported continuing education and training programs and make recommendations with regard to policies to eliminate duplication and to effectuate the coordination of programs . . . " and,
>
> ". . . make annual reports to the President and the Congress . . . of its findings and recommendations, including recommendations for changes in the . . . federal laws relating to continuing education and training activities."

This Council responsibility to cut across programs and agencies has become even more important as budgets tighten. Intelligent budget balancing in the face of national human resource needs can only be accomplished if decisions are made from a broad perspective of program and funding interrelationships. The human resource aspects of problems before us, from international competition to rural development, from renewal of our human capital stock to reducing social dependency and increasing employability, all demand a government-wide approach.

STATEMENT FOR THE RECORD
of
DENNIS K. RHOADES, DIRECTOR
NATIONAL ECONOMICS COMMISSION
THE AMERICAN LEGION
for
HEARING ON S.1990, THE EDUCATION AND TRAINING PARTNERSHIP ACT
EMPLOYMENT AND PRODUCTIVITY SUBCOMMITTEE
COMMITTEE ON LABOR AND HUMAN RESOURCES
UNITED STATES SENATE

February 25, 1986

Mr. Chairman, The American Legion appreciates the opportunity to share our views with the subcommittee on the proposed Education and Training Partnership Act, S. 1990. Our nation's veterans have a stake in any major changes wrought upon the employment and training programs administered by the Department of Labor, because of the crucial role they play in assuring that veterans become working, productive citizens following military service. The nearly three million members of the Legion, through our National Conventions, have repeatedly charged the National Economics Commission with the responsibility for protecting and improving these programs. We welcome both innovation and streamlining of employment and training initiatives, but at the same time continue to be alert to changes which would adversely affect services provided to veterans through the Department's programs.

We have conducted a preliminary review of the legislation and have regretfully concluded that The American Legion cannot support S. 1990 as it is currently written. Our opposition stems not from the purpose of the proposal, which is to coordinate more closely the nation's job training, placement and education efforts. We find this goal laudable, and wish the subcommittee well in its continuing

efforts to pursue it. We find, however, that the bill has many of the same shortcomings which we have identified in the Job Training Partnership Act (JTPA). We will be detailing these JTPA problems in the hearing scheduled by the subcommittee next month.

The essence of our concern, however, can be easily summarized. S. 1990, like JTPA, appears to have been drafted in a vacuum, completely ignoring the role which Congress has historically assigned to the Department of Labor in general and the public employment service system in particular, for providing job training and placement services for veterans.

This role is set forth in chapters 41 and 42 of title 38, United States Code. These chapters are the culmination of efforts by the Congress, spanning the last half century, to assure that those who sacrificed in defense of the nation received the job and job training assistance they needed. The Wagner-Peyser Act of 1933, in fact, provided for the establishment of a veterans employment service within the new established public employment service. Congress has reaffirmed its commitment in numerous pieces of legislation since that time, including the Serviceman's Readjustment Act of 1944, the original GI Bill.

During the the seventies, however, as our new veterans were returning home from the Vietnam War, it became apparent that the Department of Labor was either incapable of, or unwilling to, operate an effective job placement and training program to assist these veterans in the readjustment process. A series of legislative initiatives followed, including a detailing of general Wagner-Peyser

provisions in title 38; an affirmative action and mandatory job listing program for federal contractors; a performance standard requirement for veterans services in State Employment Service offices; and creation of the Disabled Veterans Outreach Program within the Employment Service system. At the same time, because of continued resistance within the Department of Labor, Congress sought to elevate veterans services management within agency. The Veterans Employment Service (VES) began as a division of the United States Employment Service (USES). In 1976, VES was removed from USES and placed under a deputy assistant secretary for veterans employment within the Employment and Training Administration (ETA). Subsequently, the position was elevated in 1980 to a full assistant secretary, independant of ETA. The Assistant Secretary of Labor for Veterans Employment is now responsible to the Secretary for all veterans programs within the Department. The principal champion of these changes was your colleague in the full committee, Senator Strom Thurmond, who had closely followed the veterans employment efforts within the Department and recognized very early problems existing in delivering services to veterans.

I am pleased to report that today services to veterans in the Department of Labor are healthier than they have ever been at anytime in the last fifteen years. The major administrative changes which S.1990 would mandate, however, would unquestionably jeopardize the entire veterans services system which Congress has taken the pains to create. The new federal entity, as outlined in the legislation, would provide no protections for current or future services to

veterans. It is not inconceivable that any future changes in the Employment Service might eliminate the special emphasis that veterans have received under the system within the Department of Labor for the past fifty years.

Mr. Chairman, The American Legion fully supports your efforts and those of your colleagues on the Committee to make the employment and training system in the United States more efficient and adaptable to the demands of the labor market, through increased coordination of services. We believe, however, that S.1990 ignores the entire veterans employment question, and until that question is satisfactorily resolved, we believe that the bill can only negatively impact our country's veterans and their employment needs.

INITIAL COMMENTS REGARDING S.1990

Submitted by: The Interstate Conference of Employment Security Agencies, Inc.

The Interstate Conference fully recognizes the need to improve the coordination among education, training, and employment programs. As you well know, the Amendments to the Wagner-Peyser Act were a major factor in bringing employment and training programs closer together, while more substantively involving the private sector in the policy formulation and planning processes.

We view S.1990, the Education and Training Partnership Act, as a major proposal to improve the coordination among these programs while raising the level of private sector influence in the policy development area. While we are presently reviewing the legislation through an established process, which includes Committee and Board consideration, we offer the following comments:

(1) The statuatory role of the Employment Service is to serve all applicants and employers. This includes filling jobs of every type: entry level, as well as those requiring significant experience; low skilled and highly skilled--and applicants who span the spectrum of job readiness from school dropouts to professional candidates with advance degrees and many years of experience. Employers who pay the Federal U.I. Tax, which is a dedicated tax to administer the ES and UI programs, support this type of broad-based labor exchange. Our experience over a half century indicates that employers do not want the ES to limit its focus and serve only specific applicant groups.

In light of the above, we are concerned that the current role of the labor exchange would be narrowed to primarily serve those individuals coming out of Vocational Education and JTPA training, if the bill is enacted.

(2) The Employment Service is also required to function as the employment delivery system for veterans. Title 38 of the United States Code, Chapters 41-43, detail the specific responsibilities of the ES in this area including, but not limited to, support for the Disabled Veterans' Outreach Program; Local Veterans' Employment Representatives; and the Federal contractor Job Listing Program. In addition, the Secretary of Labor is required to establish "...administrative controls...," including definitive performance standards "...for determining compliance by the State public employment service agencies with the provisions of this Chapter (41) and Chapter 42 of this title."

Should S.1990 become law in its present form, would ES System responsibilities under Title 38 be modified or eliminated?

(3) The very close relationship, operationally and administratively, between the Employment Service and the Unemployment Insurance System has been going on since 1935. Over the years, state laws have assigned the "Work Test" function to the ES, and the two systems generally coordinate activities out of the same local offices. These relationships must be carefully reviewed as we further consider S.1990.

(4) In addition to special responsibilities for veterans, the Employment Service also performs certain support functions (by law and/or regulation) for the handicapped, migrants and seasonal farmworkers and other groups. As we continue to consider S.1990, these responsibilities must also be considered.

Quayle.Mh3

Senator QUAYLE. Gentlemen and ladies, thank you very much. This is just the beginning. We appreciate your testimony, and we look forward to formulating with you and others who have been helpful today in a better policy on both employment and training and education.

Thank you very much.

[Whereupon, at 11:40 a.m., the subcommittee was adjourned.]

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